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4 contracts signed for National Guard

TAIF, Aug. 31 (SPA) — Prince Abdullah bin Abdul Aziz, second deputy premier and commander of the National Guard, Monday signed contracts worth SR695 million (about \$200 million) with four international companies to build villas for the Guard's personnel.

Monday's contracts bring the total to SR3.95 billion (\$1.16 billion) to be spent on the first phase of the National Guard's housing scheme in Dammam, Hasa, Jeddah, Taif and Riyadh.

Prince Abdullah signed last May a 2.26 billion riyal contract (\$950 million) with Dumez of France for the construction of about 4,500 villas near Riyadh.

The Saudi Press Agency said the three of the new contracts, each worth SR126 million

(£37 million) were signed with Sam Ho of South Korea, MABCO of Riyadh and Societe Auxiliare D'Enterprise of France. The fourth valued at SR317 million (\$93 million), was signed with Pegel Arabia, a Saudi Arabian-German joint venture.

The signing of the contracts here was attended by deputy commander of the National Guard Prince Badr bin Abdul Aziz and high-ranking officials.

Abdul Rahman bin Ibrahim abu Humeid, secretary of the Guard's technical affairs said the latest contracts completed the first phase of the housing scheme. He also said that a project for a "comprehensive national guard military city" will also be submitted for tender in the near future.

In Taif

GCC debates economic issue

TAIF, Aug. 31 — Foreign ministers of six countries grouped in the Gulf Cooperation Council held their first ordinary session here Monday to discuss a two-item agenda limited to political and economic issues.

Prince Saud Al Faisal, the Kingdom's foreign minister, said after the two-hour meeting that the ministers agreed to resume discussing economic issues Tuesday. He also said that a press conference will be held to explain subjects taken up by the Council.

In a welcoming speech Prince Saud reiterated the Kingdom's fears over "the dangers threatening the region." He said that the Council was a dream which came true to streamline cooperation in all fields among the peoples of the Council.

"Solidarity among the Gulf countries forms the basis of Arab and Islamic cooperation", the prince added.

After his address the ministers went into a closed meeting overshadowed by Iran's

Khaled, Kaunda co-chair talks

TAIF, Aug. 31 (AFP) — King Khaled and President Kenneth Kaunda Monday co-chaired the official talks between the Kingdom and Zambia concentrating on means of further promoting relations between the two countries, the Middle East issue and other international issues of mutual concern.

The Kingdom's delegation at the session included Prince Abdullah, the Second Deputy Premier and Commander of the National Guard, Prince Sultan, defense and aviation minister, Sheikh Muhammad Aba Al-Khail, the finance and national economy minister, Dr. Ghazi Al-Gosaibi, the industry and electricity minister, Dr. Muhammad Al-Mullein state minister and cabinet member and Sheikh Fuad al-Husseini, the Kingdom's ambassador to Zambia.

recent developments in which President Muhammad Ali Rajai and Prime Minister Hojatoleslam Muhammad Javad Bahonar were killed in a powerful explosion in Tehran Sunday.

Sources close to the conference meanwhile reported that the council was discussing a seven-point economic draft agreement.

According to these sources the points are:

- 1— Freedom of trade by nationals of the Council in the six countries.
- 2— Freedom of movement by the council's nationals by the identity card and the right to trade and own land in other member states without strings.
- 3— Setting up integrated industrial projects especially in the petrochemical and refining fields.
- 4— Financial, monetary and banking relations.
- 5— Transport and communications;
- 6— Vocational training center needed by Gulf countries to carry out their development programs;
- 7— Fostering the existing regulations governing economic relations among the Six.

Abdullah Bishara, secretary general of the GCC, had said that the council wanted to center on the economic side, because by giving it the priority, it would facilitate the other aspects.

Tax agreement to be signed with France

TAIF, Aug. 31 (SPA) — The Council of Ministers Monday delegated Finance and National Economy Minister Sheikh Muhammad Aba Al-Khail to sign an agreement with France to avoid double taxation. The council's regular weekly meeting was chaired by Prince Abdullah, second deputy premier and commander of the National Guard. The agreement, which had been initiated, will eliminate double taxation between France and Saudi Arabia on personal income, heritage and free trades.

The finance minister briefed the Cabinet on the strategy of Arab Economic and Social Council. He called for the need to raise the capital of the Arab League's body and expand its activities to cover developmental programs approved by the Arab Economic Council.

The Council's board had recommended that the capital of the Arab Monetary Fund be increased from 400 million Kuwaiti dinars to 800 million Kuwaiti dinars. The Council of Ministers agreed to raise Saudi Arabia's contribution to the fund's capital by KD 79,600,000 (or 19.9 percent). The rest will be covered by all other Arab countries.

The Council was also briefed by Sheikh Ahmad Zaki Yamani, the minister of petroleum and mineral resources, on the recent OPEC meeting in Geneva. Sheikh Ahmad stressed that despite the fact that it was obvious that Saudi Arabia's interest lay in not raising the current oil price, it agreed, before the conference, to raise the official price of the organization from \$32 per barrel to \$34 per barrel. The Kingdom was aware that the average price of oil on international markets did not exceed \$34 per barrel; therefore, unifying the price at that level meant only fixing it, without increase or reduction.

Rajai, Bahonar death shocks Iran

TEHRAN, Aug. 31 (AFP) — More than a million Iranians led a shocked nation in funeral ceremonies here Monday for President Muhammad Ali Rajai and Prime Minister Muhammad Javad Bahonar, both killed in an explosion at the premier's office Sunday in an apparently carefully-planned attack.

Reports here said four persons were killed and nine injured by a bomb reportedly planted beside Rajai and Bahonar at a meeting of the Supreme Defense Council. The fundamentalist newspaper *Islamic Republic* said there were 10 persons in the room at the time of the blast, but no details were released on the identity of those wounded. The two others reported killed were identified by Radio Tehran as an employee at the premier's office and a woman passer-by.

The bodies of Rajai and Bahonar were so badly burnt that they had to be identified by dental records, *Islamic Republic* said. Their deaths were not confirmed until several hours after the blast. The newspaper *Azadegan* reported that defense Minister Col. Mousa Namjou and Iran's police chief Col. Vahid Dastgherdi might also have been killed but there was no official confirmation of this.

The government, now headed by an interim presidential council consisting of Parliament Speaker Hashemi Rafsanjani and Supreme Court President Mousavi Ardebili, decreed five days of national mourning. According to the constitution, the council will be responsible for organizing presidential elections within 50 days.

Hundreds of thousands of mourners converged early Monday on parliament where the remains Rajai and Bahonar were brought for a funeral service, and for miles around the building a black-garbed mass seethed with chants of "Rajai, Bahonar, martyrs of the true way" and anti-American slogans.

Several Iranian leaders Monday attacked the officials responsible for the nation's security. "The people are angry with those



TEHRAN EXPLOSION: The picture shows the Iranian prime minister's office building Sunday after an explosion ripped through the building and touched off a fire. President Muhammad Ali Rajai and Prime Minister Muhammad Javad Bahonar were among those killed.

responsible for security. They must answer for this today," said Rafsanjani his voice quivering with emotion.

The minister of Islamic Guidance Hojatoleslam Abdolmajid Moadikha, chimed in with the question, "When the explosion took place Sunday who was the man responsible for security of the premier? To whom are we to put that question?" "In every organ, the unit in charge of security must be made known and firmly punished in case of incident, even if it is a revolution organ," he urged.

However, Speaker Rafsanjani and the country's judiciary came under criticism by an unidentified member of parliament, who asked that Ayatollah Khomeini personally set up a "security ministry." The MP also asked that "the people descend into the streets and avenues by night, because counter revolution intends to attack."

The revolutionary prosecutor, Ayatollah Rabani Amalashi, declared: "I have heard your appeal. You want the courts to act with more firmness." "We thought all these young people could be reformed, but we now know this is not possible. We will punish them," he pledged. At the same time, he warned that "the enemy" was capable of "disguising itself as revolutionary guards."

Interior Minister Ayatollah Mahdavi Kani

appealed to Iranians to remain calm and avoid any "emotional reaction". But the population's mood was more subdued than at earlier official funerals such as that following the explosion at the headquarters of the Islamic Republican Party two months ago in which 74 persons died, including IRP leader Ayatollah Muhammad Beheshti.

Ayatollah Khomeini told crowds gathered round his home that no power could compete with a nation that believed it originated with God. Speaking with emotion, and at one point refraining a sob, Khomeini said that the logic of the nation and the people was faith in the Qur'an. "A child could have done the same," the Ayatollah said, speaking of the attack. "This doesn't prove force."

In his speech, the Ayatollah called on the armed forces not to be demoralized by the political violence in Iran. "Our armed forces... should note that they are fighting for God and not for the president or the prime minister or others," he said. "They should boost their morale so that, as more attacks are launched by corrupt persons to damage this country, they can continue their battle at their posts stronger than before."

On Khomeini Avenue, leading to the parliament building, massive traffic jams developed. Flower-bedecked cars, decorated with gladioli and portraits of the dead, forged

their way past pedestrians. Near parliament, the crowd became impenetrable, its progression slowing to snail's pace. The burial later took place at Bebest Zaza cemetery south of Tehran.

Accusations were hurled from all sides as to who was responsible for the attack. Its perpetrators apparently knew about the Defense Council meeting, held at the closely-guarded premier's offices. A meeting of the Economic Council was being held at the same time in a nearby room. A government spokesman charged that former prime minister Spapur Bakhtiar, former President Abolhassan Bani-Sadr, both living in Paris, and "hypocrites" (official jargon for the People's Mujahedeen), were responsible for the plot, while the evening *Ettelaat* newspaper said that no opposition group "was capable of anything without support from America."

"The ship of the revolution is sailing at full speed, even on rough seas, as its leader, Khomeini, is the Noah of our time," a cabinet statement said.

In Paris, Bani-Sadr said Monday Khomeini was responsible for the bombing deaths of Rajai and Bahonar. "Khomeini is responsible because he tried by all means to try to impose a dictatorship in Iran," Bani-Sadr said in a telephone interview. "He is responsible for this. He claims the people are with him. But if they are, why has he taken away all the liberties and executed all the people?"

Bani-Sadr said the Iranian leaders had "virtually committed suicide" with their violent policies.

In Paris also Massoud Rajavi Mujabedeem leader said that his organization was not responsible for the bombing. Rajavi who fled to France with Bani-Sadr, issued a statement congratulating the Iranian people on the assassination of the two leaders which he described as a victory. He called for Ayatol-

(Continued on back page)

Rajai's profile

TEHRAN, Aug. 31 (AFP) — President Muhammad Ali Rajai, who died in the bomb blast at the prime minister's offices Sunday, was elected to the presidency July 24 following the ouster of Abolhassan Bani-Sadr. He had served as prime minister since September 1980.

Rajai was born in Qasvin, west of Tehran. He entered the air force at the age of 16 and finished his studies to become a teacher. In 1963, he joined Medhi Bazar-gan's "Iranian Liberation Movement."

From 1974 to 1978, Rajai was several times arrested by the Savak, the former Shah's secret police, and spent two years in jail, notably at Evin in north Tehran. He later showed scars inflicted on him by Savak, and became known as a "living martyr." Rajai was freed in 1978, went back to teaching and joined the "central council of the Islamic Teachers' Association."

(Continued on back page)

40 opponents executed in two days

TEHRAN, Aug. 31 (AFP) — Another 40 political opponents including 23 left People's Mujahedeen were executed in Iran Sunday and Monday on charges of "armed insurrection," the ruling party's newspaper *Islamic Republic* reported Monday. The total number of executions of oppositionists in the country over the past two months now

stands at over 800.

In Tehran, 10 of the executed were identified as members of Peykar, a banned Marxist-Leninist organization, and four others as members of two other Marxist-Leninist groups, the People's Fedayeen and Red Star.

Bahonar's profile

TEHRAN, Aug. 31 (AFP) — Muhammad Javad Bahonar, who died following the bomb blast Sunday at his headquarters here, was prime minister since Aug. 5. He was a theologian who studied under Ayatollah Khomeini.

A founding member of the ruling Islamic Republic Party (IRP), Bahonar was elected to the head of the party in July following the death of Ayatollah Muhammad Beheshti in the June 28 bomb blast at the IRP headquarters that left a further 73 dead.

Born in 1933 at Kerman, southeast Iran, Bahonar was a leading opponent of the late Shah's regime. He organized several nationwide strikes and was arrested twice. After the revolution, he sat on the revolutionary council and on the committee appointed to draft the constitution of the republic. He was education minister in Rajai's government under the presidency of Abolhassan Bani-Sadr.

Blast wrecks MEA jet

BEIRUT, Aug. 31 (R) — A bomb destroyed a Lebanese Boeing 720 airliner early Monday a few hours after the plane landed in Beirut from Libya, security sources said.

"They reported that an explosive device planted aboard the Middle East Airlines (MEA) jet went off at dawn as it stood on the airport tarmac. No one was aboard the aircraft at the time.

The plane was said by the sources to be a write-off. Security officials have begun an investigation into the blast. No one has claimed responsibility.

Americans out, cry Germans

Explosion in U.S. base injures 20

RAMSTEIN, W. Germany, Aug. 31 (Agencies) — A powerful bomb explosion damaged the nerve center of U.S. and NATO European Air Force operations Monday injuring 20 persons, U.S. officials said.

The bomb was planted in a car park outside U.S. and NATO headquarters buildings at Ramstein Air Base shortly before most of the staff arrived for work. West German authorities said a terrorist organization was suspected. "If the bomb had gone off about an hour later, many more persons could have been hurt," one U.S. official said. "Many may have escaped with their lives."

Extensive damage was caused to the two four-storey buildings housing the headquarters of the NATO Allied Air Forces, Central Europe, and U.S. Air Force headquarters in Europe. But flying operations were continuing normally, a U.S. Air Force spokesman told a press conference at the base. Two seriously-injured U.S. Air Force personnel were flown by helicopter to a military hospital in nearby Landstuhl and their condition was said to be stable. Five other U.S. personnel and two West German civilians were being treated in Landstuhl, a U.S. press

Israel an outright liability to U.S., Time magazine says

NEW YORK, Aug. 31 (R) — *Time* magazine said Sunday Israel was well on its way to becoming an outright liability to U.S. interests.

In an editorial, the magazine said Washington should engage Israel in "a debate over the fundamental nature of their relationship."

"If that means interfering in Israel's internal politics, then so be it," said the magazine in the editorial by its diplomatic correspondent, Strobe Talbot. "Israel has been interfering skillfully and successfully in U.S. politics for decades."

Under Prime Minister Menahem Begin, *Time* said, Israel "is well on the way to becoming not just a dubious asset but an outright liability to American security interests ... in the Middle East and worldwide."

The underlying irritant in U.S.-Israeli relations was Begin's refusal to relinquish the West Bank of the Jordan, occupied in 1967, *Time* said. "Begin's policies on the West Bank are unabashedly irredentist. While pretending to leave open the de jure status of the territory,

he is vigorously and transparently seeking its de facto annexation," it said.

"By pushing ahead with the establishment of Jewish settlements on the West Bank, Begin hopes to make that annexation irreversible," *Time* said. Washington's close identification with Israel had impeded U.S. attempts to coordinate diplomacy with the European Common Market and had complicated U.S. relations with most Third World

(Continued on back page)

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Erratum
Arab News has erroneously reported that a Jewish synagogue was attacked in Venice, instead of the Austrian capital, Vienna. Venice is a tourist attraction city in north-eastern Italy built on islands in the Lagoon of Venice in the middle of the 15th century. It was mentioned in the headline of the lead story on Aug. 30 as the site of attack. The error is regretted.

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Pilgrims cautioned against political acts

JEDDAH, Aug. 31 (SPA) — An Interior Ministry statement Monday warned that pilgrims carrying pictures of leaders, political or ideological publications will be persecuted under Saudi Arabian law.

The statement said "the ministry has noticed that pilgrims carry with them — either through good intention, as we believe, or wishing to exploit this gracious occasion — books, pictures and pamphlets of political, propaganda or ideological objectives, having a tendency to influence some people or to offend some others in a direct manner much against the sublime objectives of the pilgrimage."

"On the basis of instructions, the ministry,

therefore, calls everyone's attention to the fact that such things are completely prohibited. Meanwhile, it is keen to provide opportunity for the guests of God to perform their religious rites in full submission, uninfluenced by any attempt to distract them from their prayers for which they have come," it said.

The statement urged all pilgrims to abide by the instructions, and warned that they violator will be liable to punishment and be sent back home. It said that anyone found in possession of forbidden material of any kind will be sternly punished and will be dealt with according to the Kingdom's laws.

King felicitates Malaysian Sultan

TAIF, Aug. 31 (SPA) — King Khaled Monday sent a congratulatory cable to Sultan Tunku Ahmad Shah, head of the Malaysian federated state, on the national day of his country.

In his cable, the King expressed his best

wishes for the Sultan's health and progress and success of the hrotherly people of Malaysia.

Meanwhile, the King received the ulema and tribal chiefs according to the royal custom every Monday.

Universities conclude talks

DHAHRAN, Aug. 31 (SPA) — Meetings of the students affairs departments of the Kingdom's universities were concluded at the University of Petroleum and Minerals here Monday. The two-day session reviewed recommendations of the second seminar for deans of student affairs departments held at the UPM in December, 1980.

The meeting also discussed Jeddah's King Abdul Aziz University proposal to establish an institute for training student affairs departments personnel. The general secretary recommended further study of the project to its next meeting to be held at Riyadh University.

Among the recommendations included the

introduction of an agency for student affairs at all Saudi Arabian universities, to undertake independent studies on methods of training personnel.

In other educational developments, Higher Education Minister Hassan Iho Abdullah Al-Sheikh, chancellor of Saudi Arabian universities, nominated Dr. Mahmoud Hassan Zaini of Makkah's Ummul Qura University to deliver a lecture at a function to be organized by the Islamic Countries' Ambassadors' Council in Sweden. The event is held to mark the advent of the 15th Hejra century.

In other news UPM has prepared a program for its new cultural season for the academic year 1981-82, officials reported Monday.

Muhammad Abdul Karim Al-Hamoud, acting director of public relations, said that the program comprises several lectures and seminars on various intellectual, economic and cultural topics, in addition to concentration on Islamic guidance.

The university has invited many scholars and leading men of letters in the Kingdom. Specialist professors also will participate in the cultural activities. Among next year's participants will be Riyadh Governor Prince Salman, who will lecture on the Kingdom's aspirations. Foreign Minister Prince Saud Al-Faisal will also deliver a lecture under the title of "Saudi Arabia and the Third World," while Deputy Interior Minister Prince Ahmed will participate in a general meeting.



PRESS CONFERENCE: Abdullah Bishara (right), secretary general of the Gulf Cooperation Council (GCC), seen replying to newsmen in a press conference held in Taif Sunday. He said that the draft economic treaty will be placed before the ministerial council for discussion. The seven-point treaty deals with commercial cooperation; freedom of movement and ownership; industry; finance; transport and communications; technical proficiency and uniform regulations, to be added.

SR1b Jizan hospital will open soon

ABHA, Aug. 31 (SPA) — Jizan's 500-bed central hospital which cost SR1 billion will open its doors for the public early November, Dr. Abdul Rahim Oqail, director general of health services of the Southern Province, said Sunday.

The hospital took two years to construct. Oqail said, adding that a contract for building a 300-bed hospital in Abha will be commissioned soon.

Another contract for setting up seven

100-bed well-equipped hospitals with a housing complex for their staff was let recently. The hospitals will be built in Samta, Namas, Tathleeb, Mujaredah, Sarat Ubaidah, Samar and Farasan. A SR4-million project for the improvement of the area's hospitals is underway. Moreover, two psychiatric hospitals are planned in Jizan and Najran. In the meantime, a health institute for girls has been set up in Abha and will function as of the coming academic year.

Plan to foster Gulf-U.N. ties studied

MANAMA, Aug. 31 (SPA) — The Committee of Arab Gulf States Program to foster United Nations Developmental Institutions met here Monday. The session was presided by Prince Talal ibn Abdul Aziz, honorary assistant to the U.N. secretary general for UNICEF.

Prince Talal, the chairman of the committee, presented proposals to be discussed by the committee, especially those related to the UNICEF and the committee's relations with other U.N. humanitarian and developmental organizations. He expressed the hope that the committee would succeed in achieving

the noble and humane objectives for which it was established.

Prince Talal was received by Bahrain Ruler Sheikh Issa bin Salman Al-Khalifa earlier in the day. Talks concentrated on the Gulf committee programs to support the U.N. organizations.

The prince arrived here Sunday night on a few days' visit to Bahrain during which he will chair the committee's meetings. The committee's member states Saudi Arabia, Bahrain, Kuwait, the United Arab Emirates, Qatar and Oman — are, taking part in the meeting.

Phone projects worth SR1.2 billion approved

TAIF, Aug. 31 (SPA) — The Council of Ministers entrusted Minister of Posts, Telegraph and Telephones Dr. Alawi Darwish Kayyal to initiate 41,000 telephone lines for Qasim, Hail, Tahuk, Qurayyat and Najran. The new telephone lines with accessories, networks and buildings, have been estimated to cost SR657 million.

The council also approved the establishment of 18,000 mobile telephone lines to be distributed among 30 towns. The proposed SR574 million project includes stations and buildings.

Kayyal expressed pleasure over the approval of these projects which, he said, come in the framework of the PTT Ministry's scheme for the Third Five-Year-Development plan. The government and competent authorities are doing their utmost to facilitate and provide communication to citizens in all villages and towns of the Kingdom, the minister said.

In another development, a new microwave telephone network will link the holy places, Arafat and Muzdalifah to Makkah in a bid to improve telephone services in the area. The network will be operational during this year's pilgrimage season, according to Saudi Telephone officials Monday.

Samir Dahlan, Makkah area director general, said that four international telephone cabins have been placed in Arafat and five in Mina, in addition to eight in Makkah. These international cabins are to be complemented by the traditional coin telephones to those areas which will be viable for international and within-the-country calls as of Sept. 18.

Welfare body gets land

DAMMAM, Aug. 31 (SPA) — Sheikh Abdul Aziz Al-Nuaim donated a 315 sq. meters of land to the Eastern Province Welfare Society, it was reported Monday.

The society's secretary general Mastour ibn Ali, said that the plot is worth SR400,000. It will be used for building a benevolent facility in the framework of the society's activities, he said.

Eastern Province Governor Prince Abdul Mohsen ibn Jiluwi, the society's chairman, expressed gratitude for the donor's kind gesture.

when pilgrims start arriving in the holy places.

Ten of these telephones will be located opposite the Holy Haram and another ten at Khariq, near the central post office. Makkah's telephone department has been reinforced with more personnel. Employees of other telephone departments in the Makkah region have been called so that better services would be provided to pilgrims, Dahlan said.

Operation will be divided into two parts this year, he added. One division will be concerned with maintenance, installation and operation of telephones in Arafat and Mina. It will be located near the ministerial complex in Arafat and the main building of the Ministry of P.T.T. in Mina. Work in these offices will start Sept. 10.

Meanwhile, the second division concerns maintenance, installation and operation works in the Makkah region, apart from areas covered by the first division, he said.

Ministry directs public schemes

DAMMAM, Aug. 31 (SPA) — The Ministry of Public Works and Housing is supervising several government projects worth SR80 million in the Eastern Province, officials reported Monday.

Ali Al-Mulla, acting director general of the ministry's office in Dammam, said that these projects include five mosques in Dammam, Hofuf, Khafji and Ruhaimah, in addition to other government projects.

One of the most significant achievements of the ministry this year is the building materials laboratory in Dammam. The laboratory, which has been opened recently, incorporates various equipment for testing cement, gypsum, soil, water, concrete and other materials.

During the last two months, about 80 items came to the laboratory for analysis from several government departments, Mulla said. He called on all government departments to benefit from the laboratory's services, with a view to improving the standard of projects and facilitating supervision and various research programs.

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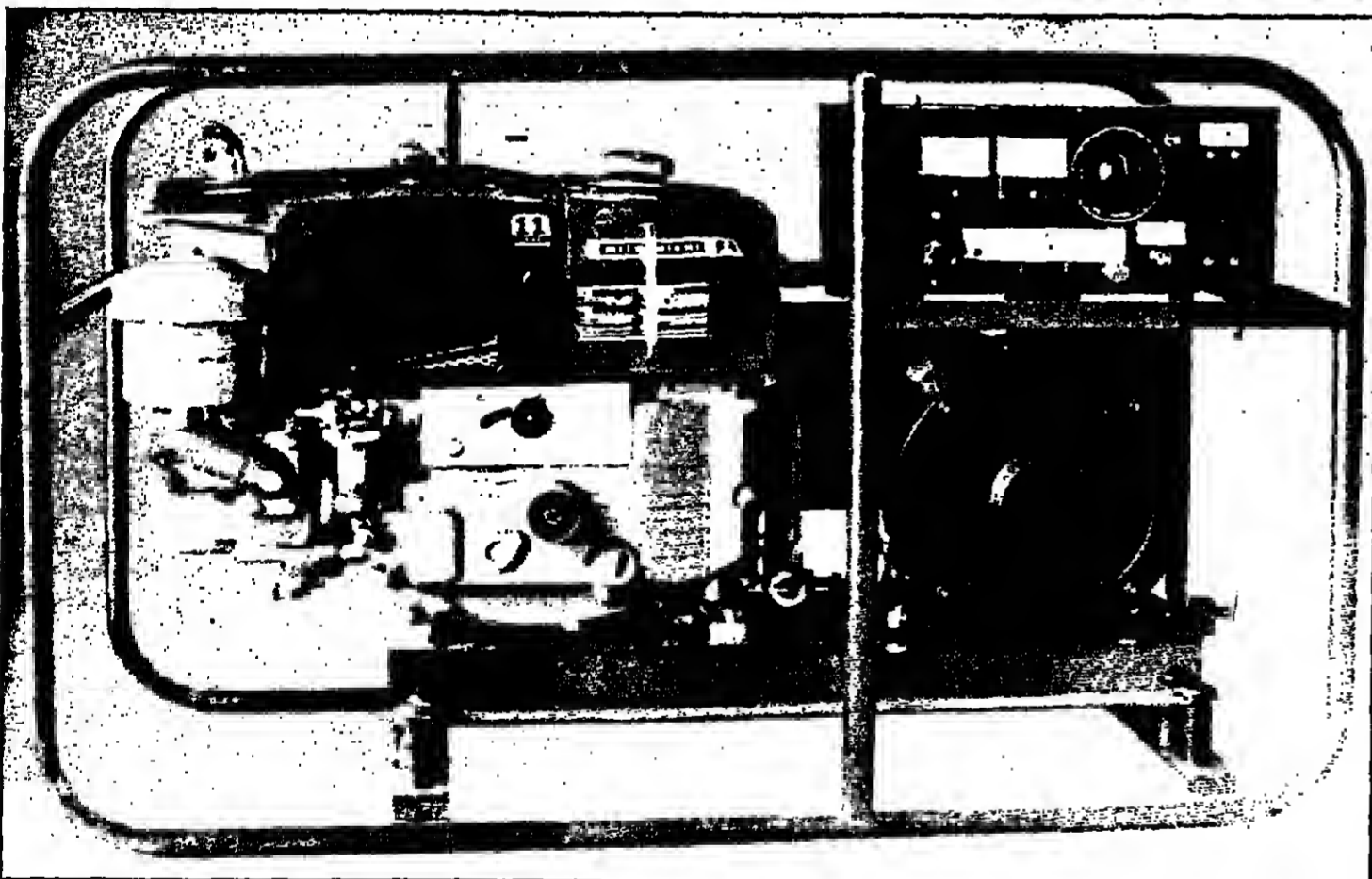
Prayer Times

	Makkah	Medina	Riyadh	Dammam	Buraidah	Tabuk
Tuesday						
Fajr	4:39	4:38	4:09	3:54	4:19	4:47
Dhuhr	12:21	12:22	11:53	11:40	12:04	12:34
Assr	3:46	3:50	3:22	3:10	3:35	4:06
Maghreb	6:38	6:41	6:13	6:01	6:25	6:56
Isha	8:08	8:11	7:43	7:31	8:55	8:26

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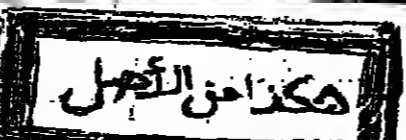
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Just covers inflation

W. Germany to hike spending on defense

BONN, Aug. 31 (AFP) — Spending by the West German Defense Ministry is likely to rise four percent in 1982 — probably just enough to cover inflation and too little to bring the real increase in spending that the North Atlantic Treaty Organization (NATO) wants, it was learned here.

The proposed federal budget for 1982, issued in summary form Monday, allocates 43,700 million marks (about \$18,770 million) to the Defense Ministry for 1982, compared to 42,100 million marks (about \$17,500 million) during 1981. The Finance Ministry's draft goes before the cabinet on Wednesday and Thursday. The cabinet is likely to modify the budget in several areas, but not military spending, sources said.

The Defense Ministry budget represents 80 percent of military spending, as defined by NATO. In West Germany, the spending is divided among several ministries. The allocation of 43,700 million marks to the Defense Ministry suggests that Bonn cannot possibly meet the NATO objective of an annual increase of three percent in real terms.

But military spending comes off relatively well in the draft budget. Only aid for development (6,100 million marks, up 4.5 percent) and aid for research and technology (6,500 million marks, up 7.6 percent) rise at a higher rate.

It is the Labor and Social Affairs Ministry that must endure most of the cutbacks decided in a cabinet meeting July 30. While it remains the biggest spender, its total allocation will be practically unchanged in 1982 with 54,400 million marks (about \$22,000 million).

The total budget will rise 3.9 percent in comparison with this year to reach 240,100 million marks (about \$99,000 million). The deficit will be brought down from 33,800 million marks this year to 26,500 million.

The cabinet will probably modify the draft to increase government investment spending in the fight against unemployment. Last week, an interministerial committee elaborated investments amounting to 1,500 million marks.

Warder killed in U.S.

SANTE FE, New Mexico, Aug. 31 (AFP) — A 33-year-old warder was stabbed to death Sunday when he and two others were held as hostages by five convicts trying to escape from the state prison here. The convicts, armed with two revolvers, escaped from their cell and captured three warders.

But they gave up after three hours of negotiations with prison officials. Thirty-three convicts were killed in two days of rioting in this prison in February, 1980.

2 U.S. senators visiting Moscow

MOSCOW, Aug. 31 (R) — Two United States senators have arrived in Moscow on a private visit hoping for talks with Soviet leaders on East-West arms limitation and the present state of U.S.-Soviet relations, U.S. sources said Monday.

Sen. Alan Cranston, the Democratic whip, and Charles Mathias, Republican chairman of the Senate Foreign Relations Subcommittee on economic policy, are both known as strong supporters of nuclear arms limitation. The sources said they hoped to discuss current obstacles to negotiations between Washington and Moscow.

The visit is the first by any members of the Senate since President Ronald Reagan took office in January.

To avoid tissue rejection

New transplant technique found

LONDON, Aug. 31 (AP) — Scientists at a research facility have discovered that a rat's immune system won't reject tissue transplants if the rat is first given a transplant of the donor's liver. *Nature* magazine reported Monday.

Results of the rat experiments, which the magazine said were conducted at the Institute of Animal Psychology in Bahrham, 80 kms north of London, have clear implications for human transplant surgery, where rejection of organs is a major problem.

When tissue is rejected, the body's immune system attacks it as if it were a germ. Doctors seek to avoid this reaction in human transplant operations by finding a donor whose tissue is genetically similar to that of the recipient and by weakening the recipient's immune system with drugs.

According to an abstract of the *Nature*

article appearing Monday in *The Times* of London, scientists Naoshi Kamada, F.S. Davies and Bruce Roser discovered the effect of a prior liver transplant during skin graft tests.

The magazine said the three scientists transplanted a liver from "rat B" into "rat A" and were surprised when it was not rejected. *Nature* reported that "even more surprising, skin tissue grafted from B to A sometimes after the liver transplant was also tolerated — whereas before the transplant it would have been rejected."

According to the magazine, the tolerance was only for tissue from the rat whose liver was donated. Skin grafts from other rats were strongly rejected. The magazine reported that the mechanism of this "specific tolerance" is not clearly understood, but its unraveling should bring important new medical knowledge.

France determined to help solve Africa's problems

PARIS, Aug. 31 (AFP) — The first set of formal visits to Africa this month by France's senior foreign affairs officials illustrates the Socialist government's determination both to take in the continent as a whole and to act rapidly to contribute to settlements of its acute problems.

The first aspect was highlighted by cooperation and development minister Jean Cot's trips to Cameroun, Gabon and Senegal in mid-August. "Africa must be taken as a unit," he affirmed.

He added that it was his intention, on each of his visits to various French-speaking countries, to include an Anglophone or Portuguese-speaking country on the itinerary. Accordingly, his second trip just over a week ago was to Nigeria, and an East African tour has already been scheduled for early next year which will take Cot to Kenya, cur-

rent chairman of the Organization of African Unity (OAU).

In tandem with a new development strategy, France wanted to provide a stimulus to the Euro-Africa ensemble, the minister explained. Also on safari this month was President Francois Mitterrand's Afro-Malagasy Affairs Adviser Guy Penne, who went to Niger, Benin, Gabon, Congo, Angola, Mozambique, Zambia and Djibouti. With him on some stops was the president's international affairs expert, Regis Debray.

Namibia was one of the main topics in the talks with African leaders. "The Namibian business is utterly crucial," Cot said. He warned that it would be "tragic" if there were a collapse of the efforts to get an independence settlement being undertaken by the Western contact group (the United States, Britain, France, West Germany and

Phone call leads to identification American official faces court-martial

WASHINGTON, Aug. 31 (AP) — A phone call Air Force 2nd Lt. Christopher M. Cooke made from the Soviet Embassy about a stalled automobile led to his identification and eventual arrest for espionage, Federal Bureau of Investigation sources say.

Details of the embassy visit are contained in a statement the 26-year-old Virginian gave to Air Force investigators May 7 and which is expected to become part his court-martial, which begins Wednesday.

The public, however, may never know all the details of the case since major portions of the military trial are likely to be closed because they will deal with classified material.

In a statement made two days after his arrest May 5, the former missile launch crew officer decided to visit the Soviet Embassy during Christmas leave last year.

Cooke, then stationed at McCooocell Air Force Base, Kansas, borrowed his mother's car, drove from Richmond to Washington and got lost in the city before the vehicle gave trouble. He took a taxi to the embassy, arrived unannounced and had a 45-minute meeting with a Soviet diplomat at which nothing of consequence occurred, according to the statement.

Before leaving, he used a phone in the embassy lobby to call his parents and report

China toll rises to 2,000

PEKING, Aug. 31 (AFP) — The number of people to have perished in floods sweeping China over the last two months has risen to over 2,000, with fresh reports Monday of 13 more deaths in central China 10 days ago. A Wuhan radio report, available in transcript here Monday, said 13 persons died on Aug. 22 in Hubei province's Yichang county.

Torrential rain over a few hours destroyed several bridges and roads, more than 1,000 dwellings and large areas of arable land, the radio said.

the car trouble. The call was monitored by the FBI, and by April Cooke had been identified, FBI sources said.

Cooke's statement has been superseded by another still-secret statement he signed May 17. The Air Force says that in the second statement he acknowledged that over a year's

time he copied and gave the Soviets secret documents.

There is no indication in any records yet available of the kinds of secret information Cooke is alleged to have given the Soviets or how he might have done it.

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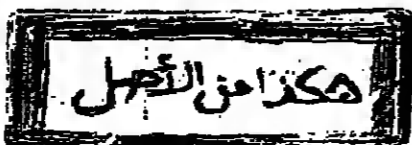
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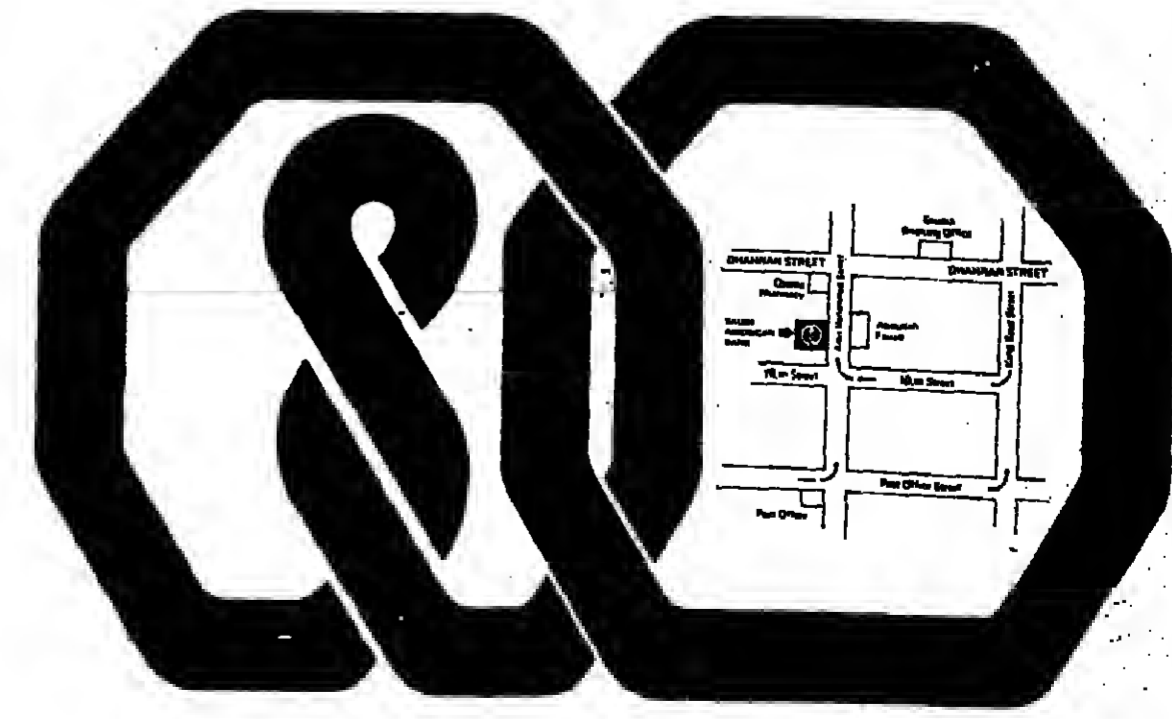


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سازمان اطلاعات

Missile incident

Korea truce group meets today

SEOUL, Aug. 31 (Agencies) — The Military Armistice Commission will meet Tuesday at the truce village of Panmunjom to take up a charge that a North Korean missile was fired last week at a U.S. reconnaissance plane, the United Nations Command said Monday.

The command originally had called for the meeting last Saturday, but the Communist side rejected that date, counterproposing that the session be held on Sept. 5.

That response followed usual practice in the past when the U.N. side called for a meeting, and it had been expected that it would be delayed until next Saturday. The U.N. Command said Monday, however, that it had been agreed that the commission would meet Tuesday.

The U.N. Command spokesman confirmed that the meeting would deal with the charge involving a U.S. Air Force SR-71

reconnaissance plane. An announcement from Washington said the plane was flying in international and South Korean airspace last Wednesday when it was targeted by a North Korean missile. The missile missed by several miles and the high-flying Blackbird later landed safely, the announcement said.

North Korea denied that a missile had been fired at the American plane, but charged that "American imperialist aggressors" had intruded into North Korea's territorial airspace.

North Korea Monday accused the United States of using the missile incident to justify war preparations. The official *Rodan Sinmun* daily said the United States had used the incident to "defame" Pyongyang. It branded the American accusations as "lying."

It said the Reagan administration was seeking "a pretext to unleash a new (Korean) war," and described Washington's threat of

retaliation as "blackmail". Observers regarded the newspaper's commentary as North Korean reply to a statement at the weekend by U.S. Defense Secretary Caspar Weinberger raising the possibility of U.S. retaliation in the event of another such incident. The newspaper is the official organ of the ruling North Korean Communist Workers' Party.

The *Rodan Sinmun* commentary Monday did not however cite Weinberger by name, referring instead to American "war-mongering circles."

It added that by seeking to justify its military buildup against North Korea, the Reagan administration might be considering the deployment of neutron bombs in South Korea. "Regarding the few hundred nuclear weapons they already have in South Korea insufficient, the American imperialists envision the deployment of oew medium-range missiles and even the neutron bomb," the newspaper said.

The newspaper also viewed the spy-plane incident as "slandorous" in that it tended to give further credibility to the "so-called North Korean threat" against South Korea. The United States and South Korea were thus using all the means at their disposal to encourage increased Japanese aid to South Korea.

"The so-called threat from the North is false, but it is necessary to pressurize the Japanese government into providing 'aid' that is of a military nature to the South Korean puppets," *Rodan Sinmun* said.

North Korea protested strongly against Tokyo's agreement in principle with Seoul to provide economic aid. Although the amount of this aid is still to be worked out, the agreement was made during a recent visit to Tokyo of South Korean Foreign Minister Lho Shin-Yong.

Japanese climber's death sparks Indian controversy

NEW DELHI, Aug. 31 (AFP) — The death of Masazumi Kashii, a Japanese university student, on a glacier in northern India early this month has sparked a controversy here with a leading Indian newspaper severely criticizing the Indian Mountaineering Federation and warning foreign climbers.

Kashii, 21, fell into a 38-foot crevasse on the Dsrung glacier in the northern Jammu and Kashmir state on Aug. 10. He died as no rescue team could be contacted.

"The death of Mr. Kashii should be a lesson for those who try to climb dangerous mountains of the Kashmir's Himalayas unequipped, without proper maps, liaison officer and valid permission from the Indian authorities," the *Indian Express* newspaper said Monday.

The newspaper suggested that the Indian Mountaineering Federation should also "behave more responsibly." The federation should draw a distinction between trekking and mountaineering, improve its means of

communications and place trained mountaineering teams at base camps so that climbing for young adventurists becomes safer," the paper said.

The late Kashii was the only child of Maszaki Kashii, general manager of Toshoku Co., of Hong Kong. The newspaper correspondent interviewed the late Kashii's companion, Tamaki Narisawa, who was quoted as saying that he and his late friend had not taken proper guidance from the Indian authorities.

Together with an Indian guide they established base camp on Aug. 8 at an altitude of 4,700 meters. After spending the night there, they reached the base of the glacier and then, after climbing for eight hours without using any ropes, the Indian guide told them to stop and return to the base camp as it was dangerous to proceed further without proper maps. Since they refused, the Indian guide returned, leaving them alone.

They continued their climb and when Kashii fell into the crevasse, Narisawa tried to reach him. "I went crawling ahead into the crevasse, but could not see Kashii... I, however, heard him saying there was water in the crevasse. It was chest deep," Narisawa told the paper.

After an hour Narisawa left for the base camp to get help. But he did not meet anyone there. He then left for the nearby town of Kargil, about 60 kms from the base camp.

Meanwhile, an Italian expedition team was informed of the accident. Its members reached the place but could not find the accident spot. Subsequently a team from the Indian high altitude Warfare School was sent and the body was recovered on Aug. 18.

Columbia rolls to pad

CAPE CANAVERAL, Florida Aug. 31 (AP) — Aerospace workers Monday rolled the space shuttle *Columbia* from the vehicle assembly building to its launch pad, from where it will blast off on Oct. 9 to become America's first craft to make a second manned voyage into space.

The *Columbia* and its mobile launcher were mounted onto a huge tractor-like "crawler transporter" the 3½-km trip to the same launch pad where its first historic mission began last April. The shuttle will be fitted with new twin solid-rocket boosters and a new external tank.

86 Guatemalans 'executed' by leftist gunmen

GUATEMALA CITY, Aug. 31 (AP) — A leftist guerrilla group claimed responsibility for the deaths of 86 persons across this central American nation during the last month in a statement issued to newsmen in his capital late Sunday.

The Guerrilla Army of the Poor, EGP, one of four major guerrilla groups operating in Guatemala, said it had "executed" the 86 persons for collaborating with the armed forces and helping to enforce "local reactionary power."

The EGP also claimed responsibility for a spree of bombings here recently that partly destroyed the offices of Guatel, the Guatemalan telecommunications company, and the national housing bank, Banvi, among the other targets.

Police in the city of Eucuintla, 55 kms south of the capital, said a powerful bomb exploded in the headquarters of the Institutional Democratic Party late Saturday.

No group asserted responsibility for planting the bomb but observers said leftists were believed to be responsible because the Institutional Democratic Party forms part of the military government headed by Gen. Fernando Romeo Lucas Garcia.

The party recently announced it would support the candidacy of former Defense Minister Gen. Angel Anibal Guevara Rodriguez in the presidential elections slated for March 1982.

Church and human rights groups say the political violence in this Tennessee-sized country is claiming 200 to 300 lives a month. The protagonists of the violence include the military, rightist and leftist "death squads" and guerrillas who are seeking to overthrow the rightist military regime of Gen. Lucas Garcia.

BRIEFS

NEW DELHI (R) — India's new Air Force chief Dilhagh Singh said Monday the government was taking "appropriate measures" over the military imbalance which would be caused by Pakistan's acquisition of U.S.-supplied F-16 fighter planes. Air Chief Marshal Singh, who took over the post Monday from Air Marshal I. H. Atif, did not say what the measures would be but added: "Our government is fully alive to the developing threat. Notwithstanding the acquisition of this highly sophisticated weapon system by our adversary, the Indian Air Force will do its best to meet any threat that may be posed."

SEOUL (AFP) — Fourteen persons were killed and six others were missing as torrential rain battered Korea's southern provinces over the weekend, the Anti-Calamity Office announced Monday. Property damages were estimated at about \$10 million.

BANGKOK (AFP) — Vietnamese Pre-

mier Pham Van Dong has expressed "joy" at Vietnam's strong bilateral relations and growing "militant solidarity" with Cuba, the state news agency VNA said Monday. The Vietnamese leader made his comments in Hanoi.

COLOMBO (AFP) — The government and the Tamil United Liberation Front (TULF) are expected to reach agreement Monday on ways to reduce communal tension and redress some of the grievances of the minority Tamils.

Clue to sinking Divers find hole in ship

NEW YORK, Aug. 31 (AP) — Divers exploring the wreck of the *Andrea Doria* have found a "massive hole" that may explain why the 29,000-ton ship sank so fast when rammed by the Swedish liner the *Stockholm* 25 years ago.

Lillian Pickard, a spokeswoman for the crew, said divers had found the hole in the generator room of the Italian luxury liner which reveals for the first time that "damage from the *Stockholm* was far greater than anyone realized."

Since the sinking on July 25, 1956, experts have discussed the possibility that a crucial watertight door may have been missing or partially opened, causing the ship to sink faster than it should have.

But with the discovery by expedition leaders Peter Gimbel and Ted Hess, which came later Sunday, Ms. Pickard said, "it wouldn't have mattered how many doors they had opened or closed or missing because that hole is so big. It's obvious now what caused the ship to sink."

Ms. Pickard said Gimbel and Hess discovered the hole while exploring a passageway used only by the crew of the *Andrea Doria* when they wanted to get to the generator room "without being seen by passengers." The hole began in the passageway and led right into the generator room.

Ms. Pickard said Gimbel has "thrilled" at the discovery, which was one of his goals in undertaking the expedition, which was to complete its last dive Monday, lift anchor Tuesday and arrive in Montauk Wednesday.

With time running out, the team of underwater photographers and divers seemingly had achieved only one of its objectives: the recovery of Bank of Rome safe, which was lifted to the surface on Thursday and stored in a tank of salt water. The safe will not be opened until after a documentary on the expedition is broadcast on television, according to expedition leader Gimbel. His plan is to cut open the safe before live cameras.

Another of the expedition's targets, the first class purser's safe, had eluded divers. Before casting off from Montauk last month, Gimbel said the primary point of the expedition was out to recover riches from the safes but to make a documentary on the last two "mysteries" of the Italian luxury liner: what is in her safes, and why did she sink so fast?

Prior to the hole discovery Sunday night, Kenneth Wilkerson, captain of the expedition's support vessel, *Sea Level II*, had said the underwater teams were "still trying to do

what they can, hoping the time doesn't run out on us."

He said one photographer-diver team was sifting through debris in the first class foyer lounge, searching for the purser's safe. "It's like digging through a trash heap," Wilkerson said. The other team, which included Gimbel, had been searching the *Doria*'s generator room in search of the missing door.

On July 25, 1956, the *Andrea Doria* collided with the Swedish liner *Stockholm* south of Nantucket, Massachusetts. Ten hours later she was resting on her side on the continental shelf, 68 meters beneath the surface of the Atlantic Ocean.

U.S. apologizes for sub collision

TOKYO, Aug. 31 (AFP) — The United States Monday apologized to Japan for a controversial accident in which the U.S. nuclear-powered submarine *George Washington* collided with and sank a Japanese freighter in the East China Sea on April 9.

U.S. Ambassador Mike Mansfield handed his government's final report on the incident to Japanese Foreign Minister Sunao Sonoda, expressing regret for the accident in which two crewmen of the 2,350-ton *Nissho Maru*, including its captain and first mate, were killed.

The report said the submarine's captain, Cmdr. Robert Woelb and other officers failed to fulfill their responsibility and were reprimanded or disciplined for their part in the incident.

The U.S. submarine was clearly at fault in the mishap, the report said, and the coincidences of bad weather and closeness of the two ships and the submarine crew's preoccupation with its training mission at the time of the accident could not excuse what had happened.

The report said inadequate command supervision and extraordinary coincidences caused the accident but it stopped short of explaining why the collision occurred and why the rescue operation did not follow. The submarine captain significantly misjudged the condition of the Japanese sea, according to the report.

Sonoda said the U.S. report helped solve some questions on the incident and showed American sincerity on the problem of compensation for the victims and survivors of the accident.



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Raid shows Botha's intention on Namibia

By Allister Sparks

JOHANNESBURG — South Africa's deep military incursion into Angola is evidence of a changed strategy on Namibia, with Pretoria shifting away from the idea of a negotiated settlement and going instead for a military solution.

This military solution appears to have two parts. The first is to try to inflict such heavy setbacks on SWAPO, the Namibian organization, as to disable it as a fighting force; the belief is that its political influence would then also decline.

The second, a by-product which South Africa denies is intentional, is to divert the Angolan armed forces in order to give the UNITA rebel, Dr. Jonas Savimbi, a freer hand to extend his operations and perhaps establish a UNITA buffer state across southern Angola.

Given Savimbi's long-standing animosity toward SWAPO, which has always allied itself to the guerrilla war for South Africa — which would then feel safe to go ahead with a Namibian settlement in the expectation that the Democratic Turnhalle Alliance (DTA) would win the Namibian elections and form the independent government.

During the years of the Vorster government, and the early part of the P.W. Botha government, Pretoria consistently took the view that it was impossible to find a military solution to any guerrilla to war like the one in Namibia.

"There has to be a political solution," was what one heard repeatedly from government leaders and military commanders. "Our army is there only to hold the line until a satisfactory settlement can be worked out."

But in those days white South Africans firmly believed the DTA would win any free election against SWAPO, just as the white Rhodesians were confident Bishop Abel Muzorewa was the authentic black leader in Zimbabwe.

It has been one of the most enduring delusions of the white man in Africa that African nationalism is somehow unreal; that its leaders are merely noisy agitators with no real support and that the silent majority is behind the conservative tribalists.

This confidence in a DTA victory was what encouraged South Africa to enter into negotiations with the 'Western Five' contact group — the United States, Britain, France, Germany and Canada — culminating in South Africa's acceptance of United Nations resolution 435, and the steady progress through 1979 toward U.N.-supervised independence elections.

But then came Robert Mugabe's landslide victory in Zimbabwe and Muzorewa's humiliation. That cracked the delusion and caused South Africa to start reassessing its strategy on Namibia. Shortly afterwards a military intelligence report advised the Botha government that in any U.N.-supervised elections SWAPO could be expected to win more than 50 percent of the vote.

For Botha such a prospect was unthinkable, not so much for strategic response, since the semi-desert terrain of southern Namibia means it could never be used as a base for guerrilla war against South Africa, but for domestic political reasons.

The reality of Afrikaaner nationalist politics makes it impossible for a Volksfeind to be seen handing over what most Afrikaaners in their hearts regard as part of their country to someone who has been held up as such a Marxist-terrorist ogre as Sam Nujoma, the SWAPO leader.

From that moment one could detect a stalling on the U.N. negotiations. So too one also began to hear the occasional reference to the possibility of a military solution.

President Reagan's election victory in November was probably the deciding factor. It would be difficult to exaggerate the encouragement this gave South Africa. After the arms embargo and the moral condemnation of the Carter Administration, South Africa found itself being described as a 'friend' by the new president, while old Southern segregationists like Jesse Helms and Strom Thurmond were suddenly seen to be in the political ascendancy.

Warmly familiar phrases about the need to roll back Communist influence in Africa and elsewhere began to emanate from Washington. Surely South Africa could act with greater impunity

against the 'Marxists' with such apparent support at the helm of the Western world.

By the beginning of this year the new strategy was clearly in place. The Geneva conference was scuttled in January, putting the whole negotiating process in limbo; across-the-border raids against SWAPO were stepped up; and talk about the possibility of a military victory became more frequent and open.

In April the minister of defense, Gen. Magnus Malan, made it clear to the U.S. Assistant Secretary of State for Africa, Dr. Chester Crocker, that he considered the war winnable. According to the leaked documents of their discussions in Pretoria, he said: "We will reach a stage where the internal forces in Namibia can militarily defeat SWAPO."

These documents, leaked to the black lobby in Washington, also made it clear that South Africa was not prepared to accept a SWAPO victory in a winner-takes-all election. General Malan said so in as many words, while the Foreign Minister, Pik Botha, declared that South Africa's 'bottom line' was 'no Moscow flag in Windhoek' — at the same time stating flatly that 'we're convinced SWAPO is Marxist.' Early in July Maj.-Gen. Charles Lloyd, commander of the South African forces in Namibia, announced he was going on the offensive.

"Our purpose is to end the war and bring peace," he said. "The best way to do this... is to follow the enemy and destroy him in his base. From now on we shall keep this up until SWAPO's military strength is broken."

These search-and-destroy raids inevitably caused SWAPO to change tactics. It segmented into much smaller base units and withdrew them further from the border. This in turn resulted in the South African forces penetrating deeper into Angola on raids that sometimes lasted days.

These raiding parties were backed up by air attacks ranging 100 miles and more into Angola. The pattern of escalation was set. Angola installed a defensive radar system and ground-to-air missiles, and soon South Africa admitted one of its planes had been shot down. Gen. Lloyd warned

that he regarded this as 'interference' with South Africa's operations against SWAPO.

He said the South African forces were trying to avoid clashing with the Angolans, but added: "SWAPO flees to FAPLA (the Angolan army) and FAPLA protects SWAPO, then we will unavoidably have to cross swords."

What happened last week, it seems, is that South Africa embarked on a major search-and-destroy expedition — probably to try to destroy the radar and missile installations.

In doing so it was probably encouraged by the Reagan administration's low-key response to the recent Israeli raids on Lebanon — no doubt taken as a sign that it too could expect no more than a slap on the wrist that would be forgotten a few days later.

The other Western powers might be more astounded, but it is Washington that South Africa really cares about, and it is noteworthy that on Thursday Pik Botha expressed his Government's satisfaction that the American response had been 'more balanced' than the others.

Yet Pretoria may be presuming too much. Dr. Crocker has already felt the need to warn his chief of staff, Alexander Haig, that "we cannot afford to give them a blank cheque regionally."

What the Americans may find even more displeasing about this week's incursion is that it counters to their number one strategic objective in Africa — which is to get the Cubans out of Angola.

The only way to achieve that is to reduce Angola's dependence on the Cubans, which requires a settlement on Namibia and an ending of the UNITA rebellion by somehow drawing Savimbi into a national government in Luanda.

South Africa's invasion will have the opposite effect. Both in itself and to the extent that it helps Dr. Savimbi expand his rebellion, it will increase Angola's feeling of dependence on the Cubans and could well result in their number being increased.

That is something for which President Reagan may well not thank his 'friends' in Pretoria.

SINKING IRAN

Sunday's explosion at the Iranian Prime Ministry in Tehran, which caused the deaths of an undisclosed number of officials President Muhammad Ali Bajai and Prime Minister Hojatoleslam Muhammad Javad Bahonar, has resulted in charges implicating world Imperialism. Such incidents have been occurring in Iran since the January, 1979 ouster of the Shah and the rise to power of Ayatollah Khomeini and his backers.

Since then, and due to the government's extremist positions on national and international issues, Iran has been steadily sinking without any hope of rescue or relief. The latest murders, in fact, throw more light on Iran's inter-rivalry. The bloody conflict taking place in Iran appears to be motivated by the population itself as an indication of the vehement opposition to the way the government is being run and the positions taken by the leaders. The most recent incident could easily be attributed to the opposition of the majority against the "democratic" election of those officials killed in the blast.

The only way Iran's internal strife can be ended is if prominent elders take the views into account of the majority of the citizens in Iran.

No one fails to express regrets about the continuing disruption and dissolution of what was once a great Muslim nation. Unfortunately Iran has become less than half a nation. The country's elite left long ago, either by force or at their own will. Even internationally prominent leaders have fled in indignation about the government policies and extremism.

It is past time that the Iranian leaders recognize that the problems they are always facing are of their own production. The only way to resolve them is through the efforts of the elders and the true believers who can carefully guide the country back to the right course.

Saudi Arabian Press Review

Most newspapers led with the opening of official talks in Taif Monday between King Khaled and President Kenneth Kaunda of Zambia, who arrived in the Kingdom Sunday for a three-day visit. Some papers gave lead coverage to an explosion which took place at the government house in Tehran Sunday, killing the Iranian President, the Prime Minister and nine others.

Newspapers frontpaged a report on the three-day session of the Gulf Cooperation Council (GCC) beginning in Taif Monday. The Kingdom's relief to Afghan refugees in Pakistan was covered on the front pages of newspapers which also highlighted ministerial resolutions on the availability of reserve sources of electric power in the country.

In an editorial, *Al-Madina* dwelt on the hostile campaign let loose by the Zionist centers against Saudi Arabia. It said that these centers do not want the Kingdom to build its defensive forces, so they raise a din over the arms supply. The Zionists are keen to reign supreme in order that they continue to threaten the region's peace and security and achieve their own evil designs, it added. The paper referred to Defense and Aviation Minister Prince Sultan's firm statement on the Kingdom's position in regard to the delivery of arms and reassured that the Kingdom will never accept any terms and conditions from any quarter. Meanwhile, the paper urged the Arab and Islamic states to support the Kingdom against the hostile campaigns of the Communist, Zionist and colonialist forces in the world.

Discussing the same point, *Al-Bilad* asserted that the Kingdom's requirements in different sectors are guided by free will and determination of the country's leadership. The paper said that the "doors of world capitals, as also their offers, are open before us," and it is the leadership which can boldly and freely decide on the country's military and defense requirements. The misleading campaigns of certain circles in the world aim at retarding the Kingdom's progress in different spheres, especially

in the military and defense fields, the paper added.

Meanwhile, *Al-Nadwa* dealt with the GCC ministerial meeting in Taif, saying that a treaty for economic cooperation among the member states is necessary for the achievement of industrial coordination, especially in the field of petrochemicals. The paper expressed optimism over the conference's success in the realization of its cherished objectives. Once the Gulf unity takes firm roots, it will provide a starting point for the unity of the countries of the Arab West, the paper added.

On the other hand, *Al-Jazirah* concentrated on the Zambian President's current visit to the Kingdom and described the visiting president as a prominent leader of African confrontation with the racist regime in Pretoria. It said that President Kaunda enjoys a high position for his constructive role in the causes of world peace and security, and added that his country has taken a positive stance on the Arab conflict with Israel and has always supported the legitimate rights of the Arabs. The paper was convinced that Zambian leader will find in the Kingdom's peace initiative a unique opportunity to bring peace to the Middle East.

Okaz, in an editorial, once again ruled out the possibility of Camp David accords providing any ground for peace, as claimed by the Israeli foreign minister after the Sadat-Begin meeting in Alexandria. It added that the Arab and Palestinian rejection of the Camp David was not just for the sake of rejection but as a result of a careful and thorough study of the trap in which Sadat had thrown himself in Camp David. The Arabs turned down the Camp David accords because they aimed at getting the maximum possible concessions from every Arab state, in order to ensure Israel's security and allow it to penetrate further into the negotiating Arab state, the paper said. It reiterated the significance of Prince Fahd's eight-point peace proposal and said the Saudi Arabian solution emanates from an independent Arab determination.

Bankers confident of tax-free Panama

By Colin McSevany

PANAMA CITY — Panama, where more than 100 foreign banks now operate, is optimistic about its future as a major regional financial center despite the looming threat of increased competition from New York.

Business confidence suffered a temporary blow last month when the death of political strongman Omar Torrijos in a plane crash raised widespread fears for the stability of this strategically-positioned central American republic. Around the same time, U.S. authorities gave the go-ahead for New York to establish an offshore banking center with similar benefits to those enjoyed by banks here.

"It is difficult to say what concerns us more," one foreign banker said. "But initial fears have largely evaporated and business continues as usual." The strong presence of the United States, which still controls much of the canal, and the absence of any immediate political upheavals after Gen. Torrijos' death seem to have reassured the traditionally — conservative financiers.

A comparative haven in this politically-violent region, Panama's years of stability have boosted the domestic economy and encouraged foreign bankers to use it as their Latin American base. But the main reason that more than 100 foreign banks do business here stems from a 1970 Panamanian law which allows them to operate virtually tax-free.

These incentives — including untaxed interest on all transactions, accounts in U.S. currency, numbered accounts and overnight loan facilities — are now under threat from New York, according to some bankers. "We could suffer because New York is such a big financial center and many banks, particularly American, may wonder if it is now worthwhile setting up in Panama," one banker told Reuters. But most Panama-based financiers contacted by Reuters and the National

Banking Commission, which grants the offshore licenses, appear more confident.

"Our growth may slow a little but the New York regulations leave Panama with a considerable advantage as an offshore center," the commission said. A commission spokesman said the main reasons for this were: Panama's operations are the result of a law and not merely a new regulation which could be far more easily changed, U.S. federal taxes will still be levied in New York, and offshore funds there will have to be deposited for at least two days, which virtually eliminates overnight deals.

To support his view, the spokesman said 10 more foreign banks had applied for Panamanian licenses even after it became widely known in financial circles that the U.S. decision was imminent. "Among those applicants are Credit Suisse, Paribas of France and Spain's Banco Central SA," he said.

Most bankers agreed in general with the commission's view and stressed that Panama's cheaper labor, its bridgehead position for Latin America and excellent communications, were all in its favor.

In addition, the commission said discussions were underway with government lawyers about the creation of similar tax concessions and incentives to encourage the establishment of much more trust business. The assets of the banks in Panama total almost \$39 billion this year compared with \$34 billion in 1980 and only \$850 million 10 years ago, the commission said.

This growth is also reflected in the center's increasing importance to the domestic economy of Panama and its 1.8 million people. The banking sector provides jobs for about 7,500 Panamanians, more than now work for the Canal Authority, and accounts for about eight percent of the country's Gross Domestic Product (GDP) of some \$3.5 billion.

Ironically, the close relations between the government and so many foreign banks have helped

Panama build up one of the highest per capita foreign debts in the region.

Foreign debt at the end of last year stood at \$2.2 billion almost 70 percent of GDP. Bankers stress that the country's good credit rating is based on the Balboa currency tie with the dollar and its history of timely repayment.

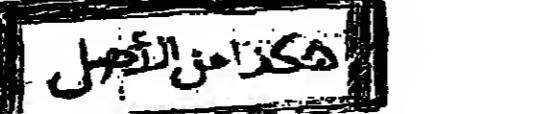
Panama's current account balance of payments deficit, kept down by sharp increases in its income from the canal, showed a decrease to \$270 million last year from \$300 million in 1979, according to officials. With so many U.S. interests involved in the canal, the military presence and the banking center — officials from Washington keep a close watch on the Panamanian economy.

They basically agree on its relatively healthy state though point to unemployment and inflation, both running at about 15 percent, as potential trouble spots. "Panama could become a fully developed country in a decade if it could increase its industrial base and solve the major problem of lack of work for educated young people," one U.S. source said.

Though expected to grow by about five percent this year, Panama's economy is out of balance because of its heavy reliance on service industries. To counter this and increase employment, the government is planning to build up its hydroelectric capacity until, by about 1990, it will no longer have to import costly foreign oil to produce electricity.

Another long-term state scheme is the planned Cerro Colorado mine, which is estimated to hold around 1.4 billion tons of copper. Opponents of the project, in which Britain's Rio Tinto Zinc is a partner say Panama cannot afford the two billion dollar cost and that resulting pollution and environmental damage would be excessive.

Such big industrial schemes appear certain to speed up the population drift away from the stagnant agricultural sector, which now accounts for only 13 percent of Panama's GDP while employing a third of the labor force — (R)



Jay Koles

Trail of robberies, his habits, led marshals to fugitive spy

By Les Binnenthal

SEATTLE, Washington (AP) — "Who are you?" The man asked when Robert Dighera ordered him to drop his cheeseburger. "I'm a federal marshal," replied Dighera, proudly completing the biggest arrest in the history of the U.S. Marshal's Service.

His quarry was Christopher Boyce, a convicted spy who had eluded authorities for 19 months after slipping over concertina wire atop the wall at the Federal Correctional Institute in Lompoc, Calif., in January 1980.

Boyce was serving a 48-year sentence for selling secret information about U.S. spy satellites to the Soviet Union when he escaped. He had been convicted of espionage in 1977 for selling the information while working as a security clerk for TRW Co. of Redondo Beach, California.

One hundred federal marshals had joined in the interagency manhunt for Boyce, who has been refusing to eat since he was taken to the Snohomish County Jail shortly after his capture on Aug. 21.

"I would never have thought the marshals would catch me," Boyce told Dighera.

Armed with a detailed personal profile —

the brand of his cigarettes, the length of his cigarette butts, his fondness for peregrine falcons — the marshals checked out reported sightings of Boyce around the world, including South Africa, Costa Rica, France, Ireland and the Dominican Republic.

Dighera says every falconry or hawking club in the United States and in some foreign countries was contacted. Health food stores in areas of reported sightings were asked about Boyce, a health food addict. Even the sporting goods stores that sold his favorite jogging shoes were involved.

Despite the wide-ranging manhunt, authorities believe Boyce spent most of his time on the run in the Pacific Northwest, occasionally slipping across the border to Canada.

At times, authorities say, he was at ease, traveling to Seattle to see movies, hiking in the backwoods, checking out library books. He told his attorney he watched falcon nests while fishing along the coast of the Olympic Peninsula. Shortly before his capture, Boyce had jogged 12-15 miles (20-25 kms).

"He tried to blend in," said Robert Christman, Chief Deputy U.S. Marshal in Seattle. Boyce lived in small motels and spartan apartments and he moved about "almost

at will by car," Christman said. But he usually cooked for himself so he wouldn't have to go to restaurants.

Authorities say Boyce may have had help since his escape and grand jury indictments against people who knowingly harbored him are possible. But officials say they don't think he was involved with the Soviets or any espionage activities during his flight.

"We can only theorize," says Dighera, an inspector in the San Diego Office of the Marshal's Service, who has been on the case since Boyce's escape. "But I think he was a fugitive on the run."

A tip from an informer and videotapes of 16 unsolved bank robberies in the northwestern United States led federal agents to Boyce. He is believed to have financed his odyssey through Washington, Idaho, Montana and Oregon with \$30,000 to \$40,000 from the robberies.

Three months ago, an informant told the FBI that a man using the name Hennessey, was responsible for the bank jobs, the sources said. During an unguarded moment, the informant added, the man said he was Boyce.

Boyce is known to have used the alias Sean Hennessey while in the northwest. It was one of several.

Following the tip, agents ran the bank robbery videotapes through an FBI photo enhancer, which can add various disguises such as beards or glasses to the picture. After studying the films, marshals were convinced some of the robbers resembled Boyce.

The government's next break came earlier this month, when agents learned that Boyce also was using the alias Anthony Edward Lester. A check of public records in Washington state found a driver's license issued to a man, by that name in Beaver, Washington.

The birthdate on the license was false, but marshals identified the photo as one of Boyce. They zeroed in on the rugged, sparsely populated Olympic Peninsula for the arrest. Boyce is now charged with escape.

FBI agents found make-up, wigs and even false sideburns when they searched Boyce's car after his arrest. He has not been charged in the bank robberies, but federal sources say an indictment on at least one bank robbery count is likely.

At the time of his capture, Boyce was taking flying lessons in a rush course to get his pilot's license. When he first inquired about the lessons at the end of July, he said he wanted to have his license by the end of August. He paid almost \$1,000 for the lessons — \$200 at a time.

"He was preparing to be able to travel where he wanted to, by a means that reduces the chances of being caught to virtually zero," said Christman.

Boyce had almost reached his goal. He was supposed to have taken his written exam on Aug. 24 — three days after his arrest. And if good weather had prevailed, he would have had enough solo hours to qualify.

"You guys were two weeks early," Boyce told the marshals.



NEVER TOO OLD: Completing his second jump since giving up skydiving 30 years ago, George Bowman of Spring Lake, Kentucky vows to be still jumping ten years from now when he will be 80 years old. He gave up parachute jumping in 1951 when an insurance agent threatened to drop his mortgage insurance if he continued. (AP)

Tennis shoes forbidden

Swiss issue accident prevention list in an effort to slow climbing deaths

By John Chadwick

ZERMATT, Switzerland. (R) — With mountaineers tumbling to their deaths every few days here this summer, Switzerland's Accident Prevention Society has issued a warning: "Don't climb the Alps in tennis shoes." The advice might seem superfluous. But with the Matterhorn attracting droves of climbers — both skilled and unskilled — at the rate of 120 a day, the Swiss Alps have never been so packed.

According to accident officials, who have just issued a 10-point list of do's and don'ts

for Alpinists, some do actually try it in tennis shoes, sandals — and even swimming trunks.

In 1865, British artist Edward Whymper led the first party of climbers to the 4,378-meter (14,362 feet) summit of the rugged Matterhorn. Four of them died on the way down.

These days, every morning at 3 a.m. climbers almost fight to be first out of the Hoerndli Hut to the queue for the final climb to the summit. So far this season, 11 have slipped off the face and fallen hundreds of meters to their deaths.

In the Swiss Alps generally, there have been dozens of fatal accidents this season. Guides say the large number of climbers is increasing the danger of rock falls.

Not all the climbers take the hardest way up. Bruno Wieck, a 77-year-old German from Flensburg, bringing a certificate from his doctor with him, reached the summit by the "tourist route." But Wieck, a former civil servant, was disappointed to learn that an 81-year-old Swiss, Ulrich Underbinder, held the record for the oldest man to do it. The youngest was a boy of twelve.

The often sheer north face is another story. Two young Swiss experts have just opened a new route to mark the 50th anniversary of the first north face ascent by brothers Toni and Franz Schmid, of Munich.

But the trouble is that far less experienced climbers are also trying for "firsts" Zermatt Gu De said. "Each generation wants to get a little bit further than the last and the possible number of alternative routes is limited. It is fatal when Alpinists are constantly searching for steeper and more acrobatic routes."

A tourist official added: "Some of these young Japanese tourists are attacking the north face without adequate knowledge. The mentality is changing and some of them don't have enough respect for the mountain. If this constant search for new routes goes on, we will be faced with more and more difficult rescue operations."

For the more faint-hearted, there are easier ways of seeing the Swiss peaks. A sleek new railway whisks sightseers up to the top slopes of the Matterhorn in less than four minutes. It can handle more than 2,500 people an hour. Across the mountains at the 4,158-meter (13,642 foot) Jungfrau, plans have just been approved for a daringly-designed four-story hotel to be built into the rock close to the summit.

Guests will arrive by high-speed life constructed inside the mountain, look down on Alpine glaciers from a sun-terrace for 700 people, choose between a first-class restaurant or a cafeteria and watch films about the Alps in what is claimed to be the world's highest cinema.

Environmentalists managed to quash an earlier project for a 30-meter high hotel right on the summit. Resembling a huge crystal on a still. The hotel was scornfully described by critics as "a science fiction writer's dream."

Zermatt remains a village without cars, access is by single-track railway and the taxis are electrically driven. But as more and more climbers flood in — both hardened rock-climbers and hikers in leather breeches — the locals are wondering how long they can keep it that way.



ONE-MAN MISSION: Actor Kurt Russell portrays a convicted criminal who is brought out of prison to rescue the president of the United States in a new science fiction movie, "Escape From New York."

N.Y. 1997, violent city of criminals

U.S. president kidnapped, held hostage... Can he be rescued?

NEW YORK — 1997 — Manhattan is shown as a city of three million criminals who have fought and lost their battle with the police according to the exciting plot of Hollywood's latest science fiction adventure film called, "Escape From New York."

Life has become so violent in the United States that the criminals are imprisoned on Manhattan Island and have no way to escape. Every bridge is mined and every exit is guarded by the police with orders to shoot to kill. Food supplies go into the area once a month, they are dropped by air into Central park.

Then, on a trip to a summit conference, the president of the United States is hijacked and his plane is crashed into the area. He is held hostage.

According to the plot of this film, a master criminal is employed to help gain the president's release. The criminal has two timed explosive devices implanted in his body to insure he carries out his mission on time.



NEW IMAGE: Veteran American actor Ernest Borgnine takes a new role as a rough, tough, happy-go-lucky taxi cab driver.

Scientific farming makes Amazon jungle productive

By Kernan Turner

YURIMAGUAS, Peru. (AP) — Using new techniques developed by a team of Peruvian and U.S. scientists high-yield food crops are being sustained in jungle soils previously considered too acid and infertile for anything more than slash-and-burn farming. The station has harvested 23 consecutive crops from soils that would have been abandoned after two years under traditional jungle farming methods.

The techniques involve crop rotation, improved seed varieties and the careful application of fertilizers and lime. The results show that the Amazon soil can continuously produce annual yields of some 3 metric tons of soybeans from a hectare (2.4 acres) of land, more than 3 tons of dryland rice, 4 tons of corn and 4 tons of peanuts. By harvesting three times a year, grain yields of 10 metric tons per hectare have been recorded. The traditional method of farming in the jungle without fertilizer gives three crops before the land is abandoned for 15 to 20 years while the forest grows back and builds up the soil again.

The scientists believe their work has major significance to a world which the U.N. Food and Agriculture Organization indicates will need 200 million hectares (94 million acres) of land cleared by the year 2000 — just to maintain present per capita food production.

Most of the land available for clearing is in the tropics, where farmers have been unable to produce sustained yields now. "It's failed in every other attempt, but we've done it," said Dr. Dale E. Bandy, a soil scientist at the experimental station in this small town on the banks of the Huallaga

River, some 700 kilometers (435 miles) northeast of Lima.

Bandy came here from the United States five years ago as head of the tropical soils research project undertaken by North Carolina State University in cooperation with the Peruvian government and the U.S. Agency for International Development Fund. "The ecological implications of these successful activities are that less land may be cleared to produce foods, thereby potentially enabling preservation of the ecological integrity of much of the humid tropics," the university said in a recent report.

Bandy said the biggest problem is to persuade farmers to use the new techniques.

John Van Diepen, also from the United States, said the team has found that 70 percent of the western Amazon basin has ultisol soils — a sandy acid and infertile upper layer and a clay subsoil. He said most ecologists oppose jungle agriculture, believing that once jungle soils are exposed they irreversibly harden and turn into a desert.

"So many people incorrectly believe the soils are all laterites, the Amazon basin is all flatland and that the rain never stops," Van Diepen said. "They don't know anything about the Amazon."

In fact, much of the Amazon has hilly terrain and there are regions with definite seasons. Bandy said no laterites have been found in Peru.

The U.S. embassy in Lima has confidently predicted an agricultural revolution from the team's work, but Bandy and Van Diepen are more cautious.

"Ours is not a revolution," Bandy said. "Revolution signifies something which happens quickly, immediately. We want methodological change. It's not going to happen overnight."



RESCUE MAPPED: Prison inmate, actor Harry Dean Stanton, becomes involved in the plot because he knows the part of Manhattan where the president is being held.

Border boosts Australian lead

LONDON, Aug 31 (AP) — Allan Border followed up his first innings century with a splendid 84 as Australia opened up a lead of 270 runs over England by Tea Mooday, fourth day of the sixth and final cricket Test at the Oval.

Border was involved a century stand with Test newcomer Dirk Wellham before being caught by Chris Tavaré at first slip off the bowling of spinner John Emburey.

Wellham was 53 not out with Rodney Marsh unbeaten on 15 as Australia moved to 232 for five at tea. Graeme Wood (21) and Graham Yallop (35) both fell to Mike Hendrick in the morning session.

Hendrick, a late replacement for Chris Old, had struck with his last ball on Saturday, and he made Australia 41 for three when his third ball of the day angled across Graeme Wood for a catch at the wicket by Alan Knott.

Border and Graham Yallop responded aggressively to this blow by adding a brisk 63 in 74 minutes, with Yallop hitting some supreme strokes. He was attempting another cover drive when Hendrick began a new

spell, only to carve the ball into his stumps, at 104. He made 35.

Ian Botham again did plenty of work and should have had Wellham's wicket just before lunch, but Bob Willis spilled an easy chance.

The Australian batsmen were seldom troubled after lunch and it was noticeable that Botham, who had fluid on the knee in addition to back trouble, was bowling at reduced pace. Thus it was no surprise when Border, Australia's most successful batsman, reached his fourth half-century of the series.

The stand was becoming bad news for England and Hendrick tried unsuccessfully to unsettle Test debutant Wellham with two bouncers in quick succession. Wellham clipped both off his legs for three.

Just when it looked as if the little left handed Allan Border was going to get three successive centuries in an England-Australia series, he was well caught at first slip off Emburey.

The England spinner bowling round the wicket, got an edge as Border tried to force

him on the on side and the ball flew to Chris Tavaré who held the ball in his right hand.

Border, who scored 106 and 123 not out in the previous Test was out for 84. He batted for 192 minutes and hit eight fours off 152 balls.

In the John Player League, Keith Fletcher celebrated his appointment as England cricket captain by guiding Essex to a seven-wicket victory over Glamorgan.

Glamorgan managed only 137 for even in 38 overs and Essex stormed to victory in just 25 overs, with a spectacular 42 from Graham Gooch off 26 deliveries.

Somerset, one of Essex's major challengers for the John Player League title, lost by four wickets against Worcestershire at Worcester. Phil Neale (49) and Dipak Patel (27) steered the home team to victory.

Big-hitting Zaheer Abbas scored 73, but couldn't prevent Gloucestershire from losing by 10 runs against Warwickshire at Bristol, while David Gower's 64 wasn't enough to give Leicestershire a win over Surrey at Leicester.

Liverpool trio back in Scotland team

GLASGOW, Aug 31 (AFP) — Football manager Jock Stein stands by his tried and trusted players for Scotland's World Cup qualifying match against Sweden at Hampden Park here Sept. 9, which could take his team a step closer to the finals in Spain.

There were no major shocks in his 18-man squad announced Monday, and, as expected, the Liverpool trio of Alan Hansen, Graeme Souness and Kenny Dalglish, all return after being unavailable toward the end of last season because of their involvement in the European Cup final.

Also back in the running for a place in the team are Wolverhampton striker, Andy Gray, and Aberdeen's dynamic mid-field man, Gordoo Strachan.

Stein has left out Kenny Burns, Tommy Burns, Ally Dawson, Arthur Graham, and Gordon McQueen, while striker Steve Archibald of Tottenham is currently out with an injury.

Stein explained, "I felt it was time to consolidate rather than experiment. There is time enough to try young players, and it will be much better for them if they come in without pressure."

"I'm happy that I'm covered in every position, and the squad is strengthened by the return of Alan Gray and Gordoo Strachan. I felt it was a good thing that Strachan did not play at all last year after his serious injury. The rest has obviously paid off, for he seems back to his best again," added the manager.

Stein has named three players in the under-21 squad who also play Sweden in the U.E.F.A. competition at Easter Road, Edinburgh on Sept. 8.

Paul Sturrock (Dundee United), Alan Brazil (Ipswich) and Celtic's George McCluskey are the players. Stein admitted he had deliberately chosen them as possible cover in the event of injury affecting his senior squad.

Sturrock, who played in all three of Scotland's home internationals in May, has been named as a standby for the senior squad as well as a member of the under-21's. "I feel a lot happier knowing I can call on Sturrock at a moment's notice", said Stein.

"Theo if I do take him away from the under-21's there are still experienced senior men in Brazil and McCluskey to fill the striking role."

Stein's other three "stand by" players for the senior squad — who will not travel except in the event of injuries — are Davie Cooper (Rangers), Kenny Burns (Nottingham Forest) and Aberdeen Goalkeeper, Jim Leighton.

United holds Forest

MANCHESTER, England Aug. 31 (R) — Manchester United and Nottingham Forest drew goals in an English Football League Division One match here Monday.

New Airport Bowlers claim top honors

By a Staff Writer

JEDDAH, Aug 31 — While most sports took necessary break during Ramadan, action at the Jeddah Bowling Center continued unaffected by the weather and Saturday night saw the presentation awards for the two Spring Open Leagues.

In the Saturday League, the New Airport Bowlers took top honors with Strike Bowlers and Luzviminda Phils in second and third spots respectively. Strike Bowlers

looked fated for oblivion after a slump in form during the middle of the league but did well to pull back to second place. Their top player, JBC manager Naim Shallita, took the award for the highest average, in both leagues, then confirmed that he is definitely retiring from competitive bowling. Another Strike Bowler, P. Sutsipong took the trophies for the highest series (630) and highest game (264).

In the Tuesday League, Dania led the

way from start to finish to take first place trophies while Little John and Playmore II were second and third. Interestingly, not one player from either of the winning teams gained an individual award.

Only the Embassy League is running at the moment, and is scheduled to finish at the beginning of October. However, it is a sign of bowling's popularity that teams were actually turned down from entering the new Tuesday and Saturday Leagues due to start the second week in September.

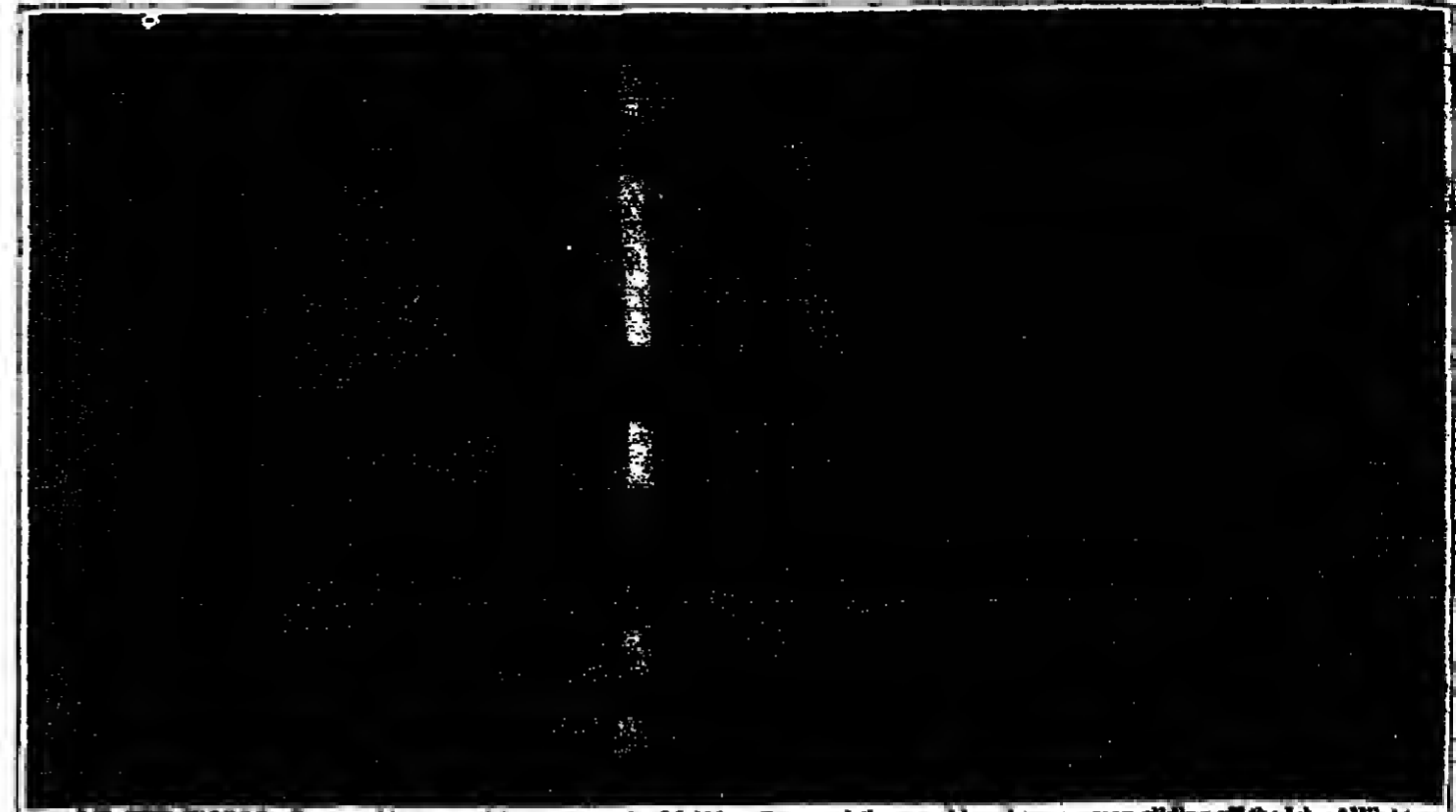
There are 18 teams in both leagues. Also scheduled for September is a marathon handicap tournament and a Children's League. The marathon starts Sept. 7 and will run every Monday night over four weeks, with each player bowling a total of 16 games. The handicap will be revalued each weekend, and the last week will be a scratch night. Players can enter on the first night but should arrive before 8.00 p.m.

The Children's League will start at the end of September and Shallita has bought lightweight balls, 6 and 8 pounds, for the smaller children.

Shallita also announced a Saudi Championship starting November 2 which will run on similar lines to the marathon tourney. This will cater for the growing number of Saudi Arabian interested in bowling, and will give an indication of Saudi Arabia's chances, should they decide to enter the Bowling World Cup next year.



STRIKERS: The New Airport Bowlers pose with their trophies after the presentation ceremony at the Jeddah Bowling Center Saturday



ROUND-THE-WORLD: Treaty of Rome, EEC entry, in the 26,000-mile round-the-world yacht race, seen gliding off the lake of Wight, as she set course for the first stop. Twenty-eight yachts set sail Saturday. The craft will stop at Cape Town, Mar Del Plata in Argentina and Auckland before finally returning to Portsmouth.

'John Henry' wins Arlington Million

By Laurie Thomas

CHICAGO, Aug. 31 (R) — John Henry, the Cinderella horse nobody once wanted edged out long-shot The Bart on the post Sunday to win the inaugural Arlington Million, the world's richest horse race.

American ace Willie Shoemaker brilliantly drove eveo-money favorite John Henry down the straight to collar The Bart, a 40 to 1 outsider, in the very last stride.

The win earned John Henry \$600,000 from the million-dollar purse and hoisted his earnings to \$2,464,510, making him the second biggest mooney-winner in American turf history behind Spectacular Bid.

Madam Gay, ridden by English jockey Lester Piggott, hatted on gamely to finish third beaten 2 1/2 lengths in a field of 12 on the soft grass track at Chicago's Arlington Park course.

John Henry, a six-year-old gelding and the oldest horse in the field, is a rags-to-riches story for New York businessman Sam Rubin who bought him for \$25,000.

Sounders bow to Chicago Sting

CHICAGO, Aug. 31 (AP) — Karl-Heinz Granitz smacked in a second-half goal that pushed the short-handed Chicago Sting past the Seattle Sounders 3-2 Sunday to win the opening round of the North American Soccer League playoffs by two of three games. The victory eliminated the Sounders and advanced Chicago to quarterfinals.

In another match, Gordon Hill drilled a penalty kick into the net to give the Montreal Manic a 2-1 victory over the Los Angeles Aztecs in sudden death overtime.

The victory gave the Manic a 2-1 win in the three-game first round clash. Montreal now advances into the Western Conference quarterfinals against the Chicago Sting.

Meanwhile, Paulo Isidoro tallied one goal and assisted on another to lift Gremio of Porto Alegre, Brazil, to a 3-1 victory over the Cosmos in a soccer exhibition match in Giants stadium.

The champions of Brazil took an early 1-0 lead against the North American Soccer League title holders when Baltazar scored from the penalty spot just 6:20 into the game.

For tough schedule Jeddah rugby stars get set

By Laurie Thomas

JEDDAH, Aug. 31 — The Rugby stalwarts of Jeddah take to the field Tuesday for a pre-season workout in what looks like being a very long, hard winter.

A proposed twenty match schedule between now and April is the hardest planned so far by Jeddah R.F.C. but they appear confident of continuing last season's unbeaten sequence, and confirming their position as Saudi Arabia's top team.

However, it is possible that they may stumble at the very first hurdle. Tuesday's match is against a visiting Royal Navy team, an unknown quantity capable of upsetting Jeddah at this early stage of the season if they are up to the standard often seen in services teams. Whatever the result, the match will provide Jeddah with a useful workout before their season begins on Sept. 18 when they cotermin Taij at the Jeddah Arms Park.

During the closed season there were strong hopes within rugby circles of forming a Saudi Arabian League, involving teams from six major towns each playing twelve matches throughout the season. However, the neces-



IN ACTION: Dave Pethers, the new JRFC manager, seen passing the ball during one of last season's matches.

sary sponsorship appears to have fallen through and each team will now be arranging its own fixture list. Jeddah has already confirmed matches against Taij, Tabok, Riyadh, Jubail, Yanbu, Al-Khobar and Dhahran as well as entering teams for tournaments in Bahrain, Dubai, Dhahran, and Muscat. Once again, the season will culminate with the Jeddah 7's on March 26.

The Jeddah team has a very familiar look this season. Only three regular players, Phil Warder, Mark Rodgers and Ivan Thomas will not be turning out whilst Steve Newsome, an England trialist two years ago, makes his debut Tuesday having arrived from Dhahran during Ramadan. Bernie Blomfield retains his position as captain while Dave Pethers, doubtless looking to continue his explosive form of last season, takes over as team manager following Tony Wood's departure in June.

New (and old) players are always welcome and those interested should contact Hywel Mortimer-Griffiths on 6828650.

Vataneen triumphs

JYVAESKYLA, Central Finland, Aug. 31 (AFP) — Finland's Ari Vataneen, driving a Ford Escort, won the three-day rally of the Thousand Lakes counting for the World Rally Championships here Sunday.

Another Finn Merkki Alen, driving a Fiat finished second in the 1,450 kms event, followed by Finland's Hanpu Mikkola in an Audi Quattro.

Zambia advances

LUSAKA, Aug. 31 (R) — Two Moroccan players and the team doctor were sent off the field as Zambia beat Morocco 2-0 here Sunday to complete a 3-2 aggregate win in their third round African Nations Cup soccer tie.

Tempers flared midway through the second half of the second leg match. Malawian referee Billy Phambula warned the Moroccan team doctor for interfering with play as he apparently attempted to go to the aid of a felled Moroccan forward. Words were exchanged, the red card flashed and dozens of Zambian police surrounded the Moroccan bench as the doctor was led out through an exit.

ANNOUNCING

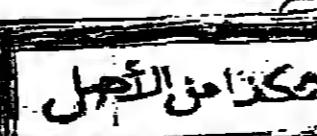
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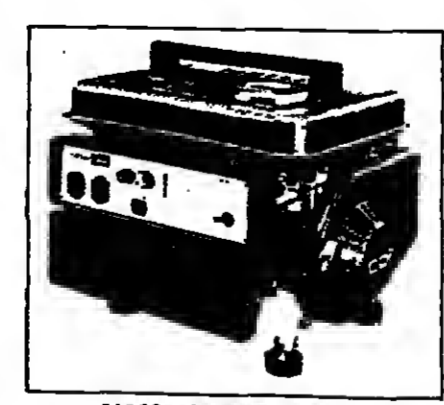
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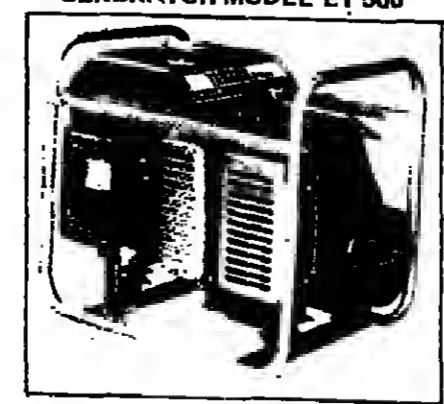
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s Johnson, Klutts belt homers

Oakland A's snap 1-game losing run

NEW YORK, Aug. 31 (AP) — Cliff Johnson and Jeff Newman belted homers Sunday as the Oakland A's snapped a game Fenway Park losing streak with a victory over the Boston Red Sox.

Right-hander Steve McCarty, 9-6, allowed four hits in helping the A's salvage the title of a four-game series and post their 11th victory in Boston since June 16, 1980.

The victory snapped a four-game losing streak for the A's who have won only three of their last 10 games.

Other American League action, home runs by Don Baylor, Butch Hobson and Bert Campaneris accounted for six California runs as the Angels defeated Baltimore 7-1 on a batted six-hitter by Steve Renko and by Hassler.

Left-hander Terry Milboi, had two singles and scored one and Graig Nettles hit an RBI triple to lead Rundy May and New York to a 5-1 victory over Chicago. Robin Yount hit a run single in the fourth to put Milwaukee and Pete Vuckovich recorded his 10th strikeout as the Brewers defeated Texas.

Left-hander Tom Griffin scattered six hits and Jack Clark belted a pair of doubles as the San Francisco Giants downed Pittsburgh 5-0 for a sweep of their four-game series.

runs, including an RBI groundout in a 10-run eighth, as Cleveland defeated Seattle 17-11 to hand the Mariners their 10th straight defeat. The Kansas City-Toronto game was rained out.

In the National League, a throwing error by second baseman Rodney Scott after two outs in the 12th inning allowed Eddie Miller to race home with the winning run as Atlanta beat Montreal 5-4 and snapped the Expos winning streak at five.

Consecutive sixth-inning home runs by Dave Collins and Ken Griffey off reliever Dan Bortone helped Cincinnati down New York 6-3. Jody Davis singled three times and knocked in two runs to lead Chicago to a 2-1 victory over Los Angeles.

Juan Bonilla and Luis Salazar scored three runs each and Ruppert Jones had three hits as San Diego snapped a seven-game losing streak with a 9-6 victory over St. Louis.

Right-hander Tom Griffin scattered six hits and Jack Clark belted a pair of doubles as the San Francisco Giants downed Pittsburgh 5-0 for a sweep of their four-game series.

Standings

American League			
Team	W	L	PCT.
Oakland	12	8	.600
California	11	8	.579
Baltimore	12	9	.571
Seattle	19	9	.526
Chicago	10	10	.500
New York	10	11	.476
Los Angeles	8	10	.444

At a glance

American League			
Team	W	L	PCT.
Kansas City	10	9	.526
Oakland	10	10	.500
California	9	9	.500
Chicago	9	9	.500
San Diego	9	9	.500
St. Louis	9	12	.429
San Francisco	7	13	.350

As Nastase defaults endl declared champion

WHITE PLAINS, New York Aug. 31 — Ivan Lendl of Czechoslovakia was crowned the \$15,000 winner's share in the 100 Head Cup Tennis Tournament Sunday when he defeated Vince Van Patten 6-3, 6-3, 6-4.

Lendl, the world's third-ranked player, advanced to the finals when he defeated Bruno Panatta 6-2, 6-4. Nastase, on his semifinal match over Tim Gullickson 6-3, 7-6.

Meanwhile, Australian Ken Rosewall edged South African Cliff Drysdale 6-2, 7-5 to win \$10,000 in the finals of the 100 Carte Blanche Tennis Legends Championships.

Drysdale pocketed \$6,000 for his second-place finish. Rosewall handily won the first set 6-1 but was down 2-4 in the second set 7-5.

The doubles team of Owen Davidson and Dale Brundage defeated Tom Okker and Marty Riessen in a hard fought three-set match 7-6, 9-7 tiebreaker, 2-6, 6-0.

In Mahwah, New Jersey, Czechoslovakian star Hana Mandlikova won her second straight \$100,000 Volvo Women's Tennis Cup Tournament Sunday with a 6-2, 6-2 victory over unseeded Pam Casale.

After a 49-minute rain delay at Ramapo College, second-seeded Mandlikova took less than an hour to overwhelm her 17-year-old opponent, employing a razor-sharp forehand. Earlier this week, Casale had defeated three seeded players.

Mandlikova, who has not lost a set in six matches, was undisturbed by a 2-1 deficit early in the second set. In a sensational sixth game, Mandlikova showed the form that has made her fifth in world rankings by winning at love with two aces.

Mandlikova, who again expressed her irritation with her fifth-seeding at this week's U.S. Open, won the Volvo Cup last year after topping Andrea Jaeger in the finals. Jaeger had been seeded first in this tournament, but she withdrew with an inflamed shoulder.

"This was the best preparation for me," 18-year-old Mandlikova said. "I played sometimes three matches a day with the doubles. I'm going to be in very good shape for the U.S. Open. I'm No. 5 there and I should be No. 2, and if I beat all the others, I will show them."



BULGING PURSE: British Open Champion, Bill Rogers is all concentration as he goes on to win the World Series Golf crown and bag the biggest money-prize Sunday.

Bill Rogers snatches World Series crown

AKRON, Ohio Aug. 31 (AP) — Bill Rogers dropped in a 12-foot (4-meter) birdie putt on the final hole to break a tie with Tom Kite and score a one-stroke victory Sunday in the rich and prestigious World Series of Golf.

Rogers dramatic putt, which sent him careening about the green with arms raised in exultation while Kiteched with a wry smile, finished off a 3-under-par 67 and a 72-hole total of 275 — 5 under par on a Firestone Country Club course wet and heavy from overnight rains.

It provided Rogers with the highest money-prize in golf, \$100,000 from the total purse of \$400,000 gave him his third victory of the year and thrust him into a four-way battle for golf's player of the year honors.

Rogers, who won the heritage classic and British Open titles earlier this season, now joins Tom Watson, Ray Floyd and Bruce Lietzke as three-time winners this season. With seven official events left this year, all are in the fight for designation as player of the year.

Kite, who played in front of Rogers and missed a similar 10-12 foot birdie putt on the last hole, could do nothing but watch when his title chances and Rogers birdie putt simultaneously dropped out of sight.

Kete had a closing 67 in the cool, breezy weather and collected \$55,000 with his 276 total.

Hale Irwin, who led or shared the lead through the first three rounds, West Germany's Bernhard Langer and PGA champion Larry Nelson, all shared the lead at one point or another over the last 18 holes. One by one they dropped back.

Nelson went first, with Bogeyes on three of four holes on the front side. Then it was the 24-year-old Langer, runnerup to Rogers in the British Open. He bogeyed three in a row coming home.

The last to disappear was Irwin, who was betrayed by a balky putter. He 3-putted the 13th to lose a share of the lead, burned the hole with two birdie chances that refused to fall, the 3-putted again on the 17th. "I knew that was the golf tournament," Irwin said.

He tied for third at 278 with Isao Aoki of Japan, who birdied the last three holes for a 67. Floyd also had a 67 and was next at 280.

Nelson and Langer eventually finished at 281 and were tied with Lietzke and David Graham, the slender Australian who holds the U.S. Open crown. Lietzke shot a 68, Graham 71, Langer 72 and Nelson 73.

Jack Nicklaus, only three strokes off the lead going into the final round, suffered a recurrence of a back injury.

Nicklaus took himself out of title contention with double bogey 7 on the second hole, probably the easiest on the 7,173-yard layout that ranks among the toughest in golf. He missed the green with his third shot, a wedge from the fairway, chipped back and 3-putted. He didn't make a birdie and finished with a 74 that left him well back at 283.

Watson, the Masters champion lost four shots to par over the last three holes. He had 74 and finished at 293. Lee Trevino had the same total after a 71.

Rogers' huge first-place check pushed his season's earnings to \$270,411 placing him fifth on the year's money-winning list. The skinny guy from Texarkana, Texas, whose trademark is accuracy off the tee, caught Kite with a 30-foot birdie putt on the 13th.

Stage set for U.S. Open

NEW YORK, Aug. 31 (AP) — John McEnroe takes aim at an achievement unmatched since the legendary Bill Tilden won his third consecutive United States Tennis Championship in 1922. And Sweden's Bjorn Borg and 126 other players take aim at McEnroe.

On Tuesday, McEnroe, the cocky New Yorker who won Wimbledon this year, begins his quest for a third straight U.S. Open crown, opening against Juan Nunez of Chile. The tournament marks the Centennial of the American National Championships.

Borg is seeded second. Seeded third is Ivan Lendl of Czechoslovakia, who is to play Hans Simonsson of Sweden.

Chris Evert-Lloyd is the top-seeded woman. She has won five of the last six singles crowns, her string being interrupted only in 1979 when Tracy Austin took the title. Lloyd won Wimbledon this year. Austin, 19, is seeded third year, with 16-year-old Andrea Jaeger the No. 2 seed.

Borg has never won the U.S. Open in nine attempts. He lost to McEnroe in a thrilling five-setter last year on the hard, fast courts at the National Tennis Center. For four years in a row, he came in as the No. 1 seed. "I'm as eager as ever," Borg said last week. "But if I don't win the Open this year or next year, it won't make any difference."

Borg has had a history of injuries at U.S. Open. In 1976, he had a pulled stomach muscle. In 1977, it was a strained shoulder muscle. In 1978, it was a blister on the thumb of his racket hand. Last year, he suffered a knee injury three weeks before the U.S. Open.

This year, Borg came down with strep throat. But he says he's completely well now. "He's had some bad luck, being hurt," McEnroe said of Borg. "Everybody thinks he's terrible (in the U.S. Open) but he's been to the final three or four times. That's not terrible."

Borg lost in the final to Jimmy Connors in 1976 and 1978, and to McEnroe last year. "I think he will win it," McEnroe said of Borg's U.S. Open chances. "but I hope he doesn't until I retire."

Connors, who has won the U.S. Open three times, on three different surfaces — grass and clay in Forest Hills and the rubberized asphalt at the National Tennis Center — is seeded fourth this year.

Connors, who won the title in 1974, 1976 and 1978, will begin the 1981 tournament Tuesday when he meets Britain's John Lloyd, the husband of Chris Evert-Lloyd.

The seedings were made on the basis of the Association of Tennis Professionals and the

women's Tennis Association computer rankings. This is the first time in more than 2 1/2 years that McEnroe, Borg and Connors have not occupied the top three spots in the world.

At 26, Chris Lloyd is one of the older players in the women's field. A large group of talented youngsters has risen rapidly to the top in the last three years.

She plays Kathrin Keil in her first-round match, while Jaeger meets a survivor of the qualifying round and Austin takes on Anne Hobbs of Britain.

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Reagan aide concurs

Fed rules out change in tight-money policy

WASHINGTON, Aug. 31 (AP) — U.S. Federal Reserve Board Chairman Paul Volcker vowed Sunday to stick with a tight-money policy and expressed confidence President Ronald Reagan supports that course even though it is being blamed for high interest rates.

Volcker described the restrictions on the money supply as vital to the battle against inflation and Reagan's economic program. That assessment was echoed by Murray Weidenbaum, chairman of the president's council of economic advisers. "I think the Federal Reserve is on target and surely fighting inflation through monetary restraint is essential to the success of our economic program," Weidenbaum said Sunday on NBC-TV's "meet the Press."

"Monetary restraint on the part of the Federal Reserve needs to be continued in order to bring down inflation," Weidenbaum said, charging that the Carter administration left a "legacy of inflation and high interest rates."

"We are the clean-up crew following the big party the night before. Literally, in the second half of 1980 there was the biggest blast of monetary ease in American economic history," he said. Volcker said he sees no incompatibility between the Fed's monetary policies and the Reagan administration's fiscal policies as long as the administration fulfills its pledge to cut spending enough to make up for revenue lost by its tax cut.

"We have communication with the administration all the time. And I think in broad terms we have been on the same wavelength on monetary policy," Volcker said on ABC-TV's "Issues and Answers" program. "I think there has been a very healthy realization on the part of the administration that restraining money and credit is essential to their own program and their own expectations," he said.

Reagan said Thursday night that his administration and its economic programs are being hurt just like everybody else by the high interest rates stemming from the Federal Reserve's tight-money policies. Attributing the problem to economic conditions inherited from the Carter administration, Reagan predicted interest rates will fall by the end of the year.

Interest rates have been hovering at 20 percent for short-term borrowing and at 17 percent for home mortgages. Volcker cited inflation as the No. 1 economic problem the country faces and he blamed it for high interest rates. He said people have come to expect continued inflation and, therefore, lenders keep their interest rates high because they are skeptical that inflation will come down. "We are restraining the supply of money and credit. There's a lot of demand for money and

credit. At the moment that means high interest rates. But it's a symptom of the inflationary situation," he said.

"It's not a pleasant situation," Volcker said of the high interest rates. "All I would claim is it is part of the process by which inflation eventually will be dealt with. But we have a rough period to go through here." Volcker said he would not rule out the possibility of a recession, which generally is considered to occur when the gross national products decline for two consecutive quarters. A decline already has been reported for the second quarter of this year.

"But I don't think you can conduct policy on guesses, which is all they are, about whether you may have a recession in the next quarter or two," he added.

Meanwhile, Charles Schultze, chairman of the council of economic advisers when Jimmy Carter was president, predicted that interest rates would remain in double digits for the next few years, the unemployment rate will stay about where it is now, and inflation will drop to the high single digits.

Schultze, appearing on CBS-TV's "Face the Nation" program, said he believes the Reagan administration's 25 percent tax cut over three years was too large and that it will make balancing the budget difficult. He predicted the 1982 budget deficit will be at least \$15 billion above the administration's estimate of \$42.5 billion.

Weidenbaum said the administration was still "doing our best to achieve that \$42 billion deficit. It will take quite a bit of doing." Volcker said that the economy has been improving, even though unexpectedly large increase in the consumer price index last month marked the first time in five months that inflation advanced at a double-digit pace. The government reported that inflation surged ahead at an annual rate of 15.2 percent in July.

"I think those consumer price index numbers, as many other index numbers, are subject to gyrations from month to month. I think the evidence in the past five or six months has seen a little progress, a little turning the corner on inflation, which is a long way from home, but it's a hopeful sign."

"There is no medicine to cure this problem of inflation — it has been a kind of a cancer on the economic scene. Disciplined policies, yes, but magic solutions, no," he said.

"I have never said that this process is a painless one. People have to change their expectations and change their behavior," he said. "You can't have inflation coming down, being eliminated, and have wage rates, which are two-thirds of the costs, increasing at 10 percent or so the way they are."



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'Transport in disarray'

Smith flays economic policy

LONDON, Aug. 31 (AP) — Former Rhodesian Prime Minister Ian Smith said Sunday his country, now black-ruled independent Zimbabwe, was in danger of economic chaos, and accused some black politicians of abusing and insulting whites.

In a radio interview with the British Broadcasting Corp. in Salisbury, Smith said Zimbabwe Prime Minister Robert Mugabe's government was "misbandling" the economy, particularly over what he termed the 'breakdown' in the landlocked African country's

OPEC gives \$1m to Caribbean state

KINGSTOWN, St. Vincent, Aug. 31 (AP) — St. Vincent and the Grenadines is to receive a \$1 million loan from the Organization of Oil Petroleum Exporting Countries (OPEC) Fund for International Development to assist with this Caribbean nation's balance of payments, the government said.

"The money is to be used to import capital goods, spare parts and inputs required for agricultural and industrial production as well as foods stuffs and other essential consumer goods."

The loan, the first from the OPEC fund to St. Vincent and the Grenadines since the former British territory became independent three years ago, is interest free, has a ten-year maturity period, including a three-year grace period, and carries an annual service charge of 0.50 percent. St. Vincent and the Grenadines is the 77th developing country to benefit from the OPEC Fund for International Development.

transport system.

"I believe we are very near the point where the situation could become quite chaotic," Smith said. "The movement of goods has developed such a log jam that before long people are not going to have the basic necessities of life. The position is serious."

Smith, 62, described life as tough for Zimbabwe's remaining 200,000 whites 16 months after legal independence and rule by leaders of the seven million blacks. "Very clearly there are members of Mugabe's government who do not go along with his declared philosophy of reconciliation," said Smith, who finally lost power to freedom fighters' leader Mugabe after a seven-year war.

"They go out of their way to hurl abuse and insult at the White people. They live in the past and stir up bitterness about what happened in the war years. That is not reconciliation. That is not forgetting the past."

Smith said deteriorating standards of social services, including health and education, contributed to the "mass exodus" of whites. Smith, who declared independence unilaterally from Britain in 1965 in a bid to avoid black rule, was speaking amid announced plans by Mugabe's government to curb private hospitals and clubs and step up black enrolment in formerly segregated white schools.

Mugabe recently also warned the white leader and heads of black minority parties who joined Smith in a short-lived multi-racial administration they would be "punished" if they did not stop making "subversive" statements.

To bolster economy Thailand pins hopes on gas

BANGKOK, Aug. 31 (R) — Thailand is looking to natural gas beneath the sea as a cure for its economic ills.

Prime Minister Prem Tinsulanonda said in a recent nationwide speech that natural gas in the Gulf of Thailand, due to come ashore next month, would substantially reduce the country's dependence on imported oil.

Thailand now imports oil, mainly from the Middle East, costing \$2.6 billion a year, an increasing economic burden.

The American Union Oil Company will pump ashore about 200 million cubic feet (5.6 million cubic metres) of gas a day equivalent of 33,000 barrels of imported bunker oil for generating electricity, Gen. Prem disclosed. "That means a saving of foreign exchange worth \$345 million a year in petroleum imports or 13 percent of the total value of oil imports for the whole year," he said.

Termed natural gas production as Thailand's "most glowing economic hope," the prime minister referred to Thailand's traditional abundance of fish in the water and rice in the field and said: "Now we have oil in the Gulf."

According to the mineral resources department, U.S. oil companies have discovered 10.3 trillion cubic feet (353 billion cubic metres) of natural gas reserves in the Gulf of Thailand, enough to provide the country's domestic oil needs for 50 years.

The Union Oil and its associates have discovered 6.8 trillion cubic feet (183 billion cubic metres) of gas and Texas Pacific, another U.S. oil company, 3.5 trillion cubic feet (127 billion cubic metres), the depart-

U.S., Pakistan agree on aid usage

ISLAMABAD, Aug. 31 (AP) — Proposed U.S. aid for Pakistan will place some emphasis on the strategically important region bordering Afghanistan, said Daniel McPherson, U.S. Agency for International Development.

McPherson said before departing Islamabad Sunday for Karachi that the requirements of Baluchistan and North-West Frontier Provinces, both lesser developed areas of Pakistan, will be taken into account because they are important to Pakistan's "overall strength."

A \$3 billion aid and military credits package was pledged last June by the Ronald Reagan administration to bolster Pakistani stability in the face of a possible threat posed by the Soviet military presence in neighboring Afghanistan.

Economic assistance, as now envisioned,

ment said.

Union Oil has successfully tested its natural gas supply system for the state-owned Petroleum Authority of Thailand (PTA) which will take its first deliveries on Sept. 1.

First delivery of natural gas to the Petroleum Authority will be in Rayong province on the Gulf which the government plans to televise as a means of attracting foreign investment in a whole range of gas related industrial projects. Investment has slowed in recent years.

Gen. Prem announced plans to build a natural gas processing plant by the end of 1983 when liquefied petroleum gas would be produced for domestic use and export.

Ammonia, urea ammonia phosphate and nitrate soda will also become available for production of fertilizers which Thailand now has to import at an annual cost of \$200 million, he said. Gen. Prem expects Thai and foreign industrialists to make large scale investments in projects the government plans for the eastern coast as a result of the development of natural gas.

Projects include fertilizer plants and a soda ash plant and several petrochemical undertakings, with investments estimated to run as high as \$4.3 billion, the prime minister said. The government has already asked Japan's Mitsui company to invest in the production of liquefied natural gas (LNG) for export.

Industry Minister Chatchai Choonhavan, who visited Japan recently, said both Japan and South Korea were major prospective markets for Thai LNG and the government would soon negotiate with Mitsui for investment.

BRIEFS

will comprise roughly half of the amount informed sources said. However, Congress must first agree to lift barriers placed by former President Jimmy Carter's anti-proliferation laws two years ago.

McPherson said he and Pakistani officials here agreed on how the proposed American aid should be used. His agency was considering programs that would have long-range development impact, such as rural electrification and agricultural research.

Before large projects get underway, much of the early spending will be devoted to providing commodities, including edible oil and fertilizer, he added.

Later, in Karachi, McPherson, administrator during his talks with President Zia ul-Ha and other Pakistani officials, the two sides had reached "broad general agreement" on the U.S. economic assistance program.

KUWAIT, (R) — A major Kuwait oil refinery closed by a fire at nearby storage tanks will be back in operation soon, a Kuwaiti government spokesman said Sunday.

He gave no date. Shu'aybah refinery was processing about 150,000 barrels of oil a day (BPD) before the fire which began on Aug. 20 and blazed for six days. Gulf oil analysts said.

MOSCOW (AFP) — Thefts of wheat, fodder and other agricultural products have increased during recent months in the Republic of Kazakhstan in Soviet central Asia, to the extent that the next harvest has been jeopardized, the government newspaper Pravda has said. In the Jambul region, near the capital, Alma Ata, the head of a community farm diverted 19 tons of wheat for his personal purposes. The same man even privately sold 42 tons of barley to the inhabitants of his village.

ROME (AFP) — The Italian government is now struggling with a liquidity crisis at the government steel firm, known as Italsider, and as the weekend approached the regime was desperately trying to find funding for the limping steel company. From the liquidity viewpoint, Italsider has indicated that it may not have enough cash to pay the 52,000-member work force its August salaries. The reason is that the banks have not been willing to turn treasury credit certificates into cash to pay the workers.

PETERHEAD, Scotland (AP) — Deep-sea divers set out for the icy Barents Sea on Saturday on one of the world's biggest treasure hunts, in search of 71 million worth of "Russians' gold dripping with blood" on the ocean floor. Twelve deep-sea divers and a crew of 20 on the salvage ship *Stephaniturm* left from sea inside the Scottish port for an area of sea inside the Arctic Circle about 170 miles (272 km) north of the Soviet port of Murmansk.

TEONGYANG (AFP) — As the representatives from almost 80 developing countries taking part here in the conference on food and agricultural production in the Third World ready their final report, many among them are asking that the report formally accuse the West of using malnutrition as a political and economic weapon.

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هكزا من النجيل

an not hike output

ON, Aug. 31 (Agencies) — Iranian leader Muhammad Gharazi has said his country will not increase oil production to levels, "Iran radio has reported. It is monitored by the British Broadcasting Corporation (BBC), quoted Sunday saying at a press conference "We of this vital source (oil) be given in prices or in political bargain." I did not specify what he meant by levels, but he was thought to be in the high level of oil production monarchy before the 1979 revolution.

her development, Kuwait and Iraq need OPEC to close ranks. Abdul Al-Awadi, Kuwait's acting minister of cabinet affairs, said: "Kuwait sees the necessity of the unity of member countries. Voicing hopes that a conference in Abu Dhabi in September will produce an agreement on oil." Al-Awadi said his country will exert conciliatory differences between the states.

stock market
NEW YORK, Aug. 31 (AP) — Stock market in early trading Monday, with Jones average of 30 industrial up 4.95 gain at 897.17 an hour opening. Advancing issues outnumbered declining ones nearly four to one among all listed on the New York stock exchange. Analysts said investors were buoyed by a cut in the prime lending rate to 20 percent announced Monday in Manhattan.

U.S. Congress frowns on merger

WASHINGTON, Aug. 31 (R) — The recent wave of business mergers in the United States has caused concern in Congress that the Reagan administration may be encouraging a trend toward dangerous concentrations of corporate power.

Some members of Congress say they are worried that the administration is not serious enough about enforcing antitrust (monopoly) laws designed to encourage competition, and have asked the justice department to clarify its policy.

They point to government approval of last month's \$7.6 billion merger between Du Pont and Conoco, the biggest in U.S. corporate history, which brought together the country's largest chemical firm and its ninth-ranked oil company.

Excluding the Du Pont/Conoco case, the total amount paid in all merger transactions swelled in the first half of 1981 to \$35.7 billion — 60 percent above the previous year's level. The mergers included a link-up between food processors Standard Brands and Nabisco and an agreed takeover of the Kennebec Copper Company by Standard Oil of Ohio (SOHIO).

The chairman of the House of Representatives judiciary committee, Peter Rodino, told a congressional hearing on the issue last week he was worried that the mergers were leading to an excessive concentration of money, resources and power.

Rodino, a New Jersey Democrat who emerged as a national figure during congressional investigations of the Watergate scandal, said: "The administration's recurring assertion that 'bigness is not necessarily badness,' seems to have been a signal to many in the business world that enforcement of the Clayton Act (antitrust law) will be relaxed." The justice department's antitrust division has not filed a major case this year, and staff

Transactions swell to \$37b

members told Reuters that its new chief, William Baxter, had passed over mergers which would have been taken to court under President Carter.

But Baxter denied at the hearing that the recent rash of mergers was prompted by a lax attitude in the Reagan administration. He argued that the level of mergers in 1968 was 25 percent above that for the first half of this year. "We are not going to tolerate mergers that decrease competition," he assured the members of Congress. He said his department was throwing out guidelines on mergers it had used since 1968 and would develop new ones by next March.

Baxter criticized the Carter administration for what he termed a rigid stance on antitrust law and said this had contributed to inflation and a decline in productivity through interference with the chains of production and distribution. "We do not intend to repeat those errors," he said.

Baxter has made clear at the hearing and in earlier statements that the new administration will probably not oppose so-called vertical mergers, those between companies involved in different stages of production in the same industry.

But it will still look closely at mergers between direct competitors who are in the same line of business. Baxter said that in judging

whether antitrust law had been violated, the government would consider other factors in addition to the size of the market share a firm would control as a result of a merger. But some Congressmen and former government officials are worried that the business-oriented Reagan administration will overlook social costs in its effort to aid the economy. Former Federal Trade Commissioner Michael Pertschuk has recommended that Congress consider legislation regulating mergers "which present no social or economic benefits."

"Existing antitrust laws are often not sufficient tools for dealing with massive combinations of corporate entities," Pertschuk said. Representative John Seiberling, an Ohio Democrat, has introduced legislation which would require businesses to justify the economic benefits of any merger valued at more than \$2 billion.

At last week's hearing, Rodino asked: "What are the consequences for our political system if enormous power and wealth are in the control of a few giant companies?" He said the critical nature of industries such as the petroleum business, which had been involved in some of the recent merger moves, would lead to much closer congressional review of this activity. Further hearings on the issue will be held this autumn.

To aid poor states

Paris parley opens today

PARIS, Aug. 31 (R) — A two-week United Nations conference starting here Tuesday will try to draw up a program for the 1980s to reduce the gap between the 31 poorest and least literate nations and the rest of the world, U.N. officials said.

Nearly 2,000 delegates from all U.N. countries and international organizations are attending the conference which many hope will adopt the 'substantial new program of action' called for by the United Nations Conference on Trade and Development (UNCTAD) two years ago.

Under the plan, rich nations would quadruple their official development aid during the next 10 years to help the poor countries achieve minimum standards of nutrition, health, housing, education and transport. Officials said, however, the aid record of the developed world had been extremely disappointing over the past few years and major industrial nations such as the United States, Britain, West Germany and Japan either opposed increased aid or faced severe budget problems during the recession. Stephanie Hessel, head of the French delegation to the conference, told reporters: "We are living in an economic climate which does not allow for much generosity. Between the policies of realism and utopia we shall have to find a balance."

The officials said the 31 least developed countries (LDCs) slipped even further behind the rich nations during the 1979 oil price crisis because they had few exports to offset their rising costs and no major industries. In a report to the conference, UNCTAD Secretary-General Gamani Corea said programs drawn up by the LDCs showed the aid they received would have to rise 80 percent to reach \$44.4 a year for each of their 280 million inhabitants during the 1980s to meet their requirements.

The report called for each developed country to provide 0.2 percent of its gross national product in official development aid to the group in 1990. Two years ago this had only been achieved by Norway, Sweden, the Netherlands and Denmark, and the average was 0.06 percent.

French President Francois Mitterrand, who wants to increase development aid but faces a sharp rise in his domestic budget deficit, will make the inaugural speech, U.N. Secretary-General Kurt Waldheim will also address the conference Tuesday.

The French Minister of cooperation and development, Jean-Pierre Cot, who will chair the meeting, said in an interview with the magazine *Le Point* the conference would only succeed if it took concrete decisions. He gave as an example a French idea to extend a European Common Market scheme to stabilize export earnings to all LDCs.

The 31 countries involved have an annual gross domestic product of under \$100 for each inhabitant and industrial production accounts for less than 10 percent of their output.

To be classified as an LDC by the United Nations each country has to have no more than 20 percent of its population who can read and write. Twenty-one of the LDCs are in Africa, eight in Asia, while the other two are Samoa and Haiti.

Dollar tastes mixed fortune

By J.H. Hammond
JEDDAH, Aug. 31 — Riyal/dollar rates were characterized as directionless and "jumpy" according to local dealers. Monday, this reflected European market trends the same day, with dealers taking a conservative view of the dollar. The major European trading centers were open except for London which was enjoying its traditional August bank holiday.

The absence of London affected the European markets and as such most operators were content to hold onto existing positions prior to the opening of the New York markets Monday night. U.S. dollar interest rate considerations were still very much on the financial market's mind, and as such Eurodollar deposit rates tended to trade quietly between the range of 17 1/2 — 18 percent for one month and 18 — 18 1/2 percent for the one year.

On the exchange markets that were open, the dollar gained 100 points against the German mark, rising to levels of 2,436.0 by late afternoon compared to 2,428.0 on opening. Some moderate Bundesbank intervention was detected at 2,439.0 levels, but the dollar eased back by Frankfurt closing. The French franc, however, gained ground against the dollar to be traded at 5,826.0 levels in Paris. This is a much better rate for the franc compared to opening levels of 5,829.0 and almost 5,860.0 on last Friday closing, whilst the Swiss franc remained unchanged at 2,117.0 levels for most of Monday, the British pound slipped one cent to be quoted at 1,851.0. Some last minute dollar selling brought up the pound to 1,863.0, but with London closed, the rate obtained were said to be "unrepresentative" until London opens again. As for the yen, it remained stable at 228.60 throughout most of the day.

On the local markets, spot riyal/dollar rates did not move much all day long from levels of 3.4195-05 and 3.4197-07. Dealers once again complained of the lack of inter-bank deals done, pointing out that both the Kingdom-based banks and Bahrain were watching the European market trends and quoting likewise. It was the riyal deposit market that dominated attention locally on Monday. Rates opened weaker, firmed by mid-day but later closed lower by late afternoon. Local liquidity factors were the most important elements affecting rates, since as was pointed out in earlier articles, shortfalls in one bank can have a "boomerang" effect on rates across all tenors — magnifying and distorting "real" interest rates.

One-month JIBOR's opened at 15 1/4 — 16 1/4 percent, gradually rose to 16 1/4 — 16 3/4 percent, but later fell to levels of 15 1/2 — 16 1/2 percent by late afternoon. Short-dated funds also fell from 15 1/2 — 16 percent levels for the week fixed, to 14 1/2 — 15 percent. The long dated riyal deposits, however, continued to rise, and we find the one-year rate went up from 16 1/2 — 16 3/4 percent on opening to 16 1/2 — 16 3/4 percent by close of business. This is also noticeable for the dollar, where the one-year rate is higher than the one-month deposits by about 1/2 percent. Both riyal and dollar interest rates are beginning to develop more "natural" positive yield curve and one can only obtain this if investors' expectations about long-term inflation rates turn optimistic.

LONDON, Aug. 31 (AP) — Closing gold prices (in U.S. dollars per troy ounce):
London closed 476.29
Paris 433.52
Frankfurt 433.52
Zurich 427.50
Hong Kong closed

U.S. bank cuts prime rate to 20%

NEW YORK, Aug. 31 (R) — Chase Manhattan Bank cut its prime lending rate on loans to its best-rated business customers to 20 from 20.5 percent Monday the first change in the key rate since July 8.

Prime rate stands at 20.5 percent at other banks, a level adopted nationwide seven and a half weeks ago.

A key money market rate watched by banks and analysts as the Federal funds rate, charged on overnight loans between banks. The Fed funds rate stood at about 16.5 percent Monday and late Friday, down from an average of about 17.4 percent for the week ended last Wednesday and about 18.2 percent a week earlier.

Most Wall Street analysts have predicted a slow drop in the Fed rate, noting that weekly reports of declines in the money supply will allow the Federal Reserve Board, the nation's monetary authority, to supply funds to banking system.

Wall Street analysts said the cut reflected lower costs incurred by banks acquiring funds in the money market, to announcing the reduction, the country's third largest commercial bank issued a statement which stressed that the change reflected current market conditions and was not necessarily a prediction of future interest rate trends.

Wall Street analysts said a recent decline in money market interest rates has lowered banks' borrowing costs, which in turn probably would lead to lower lending rates.

SAUDI ARABIAN GOVERNMENT TENDERS

Description	Tender No.	Tender Price	Closing Date
Asphalting, Paving and Municipal and Rural	18.10.81	500	25.10.81
Asphalting of villages	2	300	25.10.81
Budget in Wadi Sham	3	500	27.10.81

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Name of Vessel	Agent	Cargo	Arr. Date
Jolly Oro	Abdallah Star	Ro Ro Units	30.8.81
Liguria	Star	Reefer	26.8.81
Eldim Junior	Algezirah	Lub. Oil/Grease/Gen. Contrs.	30.8.81
Hellmic Ideal	Alpha	Gen/Contrs.	30.8.81
Golden Jeddah	El Hawi	Pipes/Gen/Paper/Contrs.	27.8.81
Utung Rajah	Abdallah	Plywood	30.8.81
Santiago	S.S.M.S.C.	Bgd. grain	27.8.81
Onysson	A.A.	Blk. Wheat/Corn	30.8.81
Verbenna	Alireza	Contrs/Gen.	30.8.81
Union Venbo	O.C.E.	Contrs/Gen/Stl	30.8.81
Jian Shui	Orrl	Canned Food/Gen.	19.8.81
Onysson	Rolaco	Blk. Cement	12.8.81
La Estancia	Alsabah	Blk. Cement	26.8.81
Chor Ye	Abdallah	Steel/Gen.	27.8.81
Nour	Hitta	Marble/Tiles/Gen.	27.8.81
Khalij Roefar	Alireza	Reefer	30.8.81
Sanix Belle	Kanoo	Gen/Rice/Contrs.	28.8.81
Al Shehabia	O.C.E.	Tiles/Timber/Gen.	16.8.81
Alsaada	Alsaada	Rice/Contrs./Gen.	19.8.81
Grand Faith	Alireza	Gen./Stl/Tmb/Con.	23.8.81
Medmarc	Alsabah	Barley	24.8.81
Miramar	Sisabah	Barley/Gen.	24.8.81
Munsons Universal	Star	Reefer	20.8.81
Serfos	M.T.A.	Reefer	30.8.81
Nindloyd Dajima	Barber	Containers	19.8.81
Bnil	S'boishi	Plywood/Timb./H'board	26.8.81
Kussian Glory	Alsabah	Barley	29.8.81
Alaska	O.C.E.	Froz. Chicken/Veg./Cheese	29.8.81
Santa Isabella	Alireza	Steel/Gen./Veh.	29.8.81
Brunella	El Hawi	Tiles/Gen./Contr.	30.8.81
Villo De Reims	S'boishi	Containers	30.8.81

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SHIP MOVEMENTS UPTO 0700 HRS ON
2.11.1401:31.8.1981 CHANGES PAST 24 HRS.

Halla Paride	Gulf	General	28.8.81
Pistis	SMC	Bagged Barley	22.8.81
Olympic Prestige	Saite	Rice/General	27.8.81
Strophanos	UEP	Steel/General	30.8.81
Barge, Intermac-257	Kanoo	General	27.8.81
Maldivo Neighbor	Saite	Rice	24.8.81
Christian Maersk	Kanoo	Conts/General	30.8.81
Tri Colson	Barber	Conts/Gen./Ro-Ro	29.8.81
Quellin	Gosaibi	General	29.8.81
Han Cheong	AET	Bagged Barley	29.8.81
Ceresio	AET	Bagged Barley	29.8.81
Molda (DB)	Al Sabah	Bulk Cement	28.8.81
Arabian Luwah	Barber	Cement Silo VSL	27.10.77
World Strength (DB)	Globe	Bulk Cement	27.8.81

Foreign Exchange Rates

Quoted at 5:00 P.M. Monday

	SAMA	Cash	Transfer
Bahraini Dinar	—	9.08	9.08
Bangladesh Taka	—	—	14.40
Belgian Franc (1,000)	—	—	—
Canadian Dollar	—	—	286.00
Deutsche Mark (100)	140.00	136.75	—
Dutch Guilder (100)	—	126.25	126.10
Egyptian Pound	—	3.80	4.15
Emirates Dirham (100)	—	92.75	93.20
French Franc (100)	—	58.60	58.55
Greek Drachma (1,000)	—	57.00	56.80
Indian Rupee (100)	—	—	58.05
Iranian Ryal (100)	—	—	—
Iraqi Dinar	—	—	—
Italian Lira (10,000)	28.20	28.15	—
Japanese Yen (1,000)	—	10.12	10.08
Jordanian Dinar	—	13.00	12.96
Kawadi Dinar	—	73.50	73.30
Lebanese Lira (100)	—	57.00	61.10
Moroccan Dirham (100)	—	—	34.65
Pakistan Rupee (100)	—	—	45.45
Philippines Peso (100)	—	6.30	6.31
Pound Sterling	—	93.25	94.00
Qatari Ryal (100)	—	—	158.50
Singapore Dollar (100)	—	35.50	35.10
Spanish Peseta (1,000)	—	160.25	157.85
Swiss Franc (100)	—	57.50	63.25
Syrian Lira (100)	—	—	—
Turkish Lira (1,000)	—	3.43	3.42
U.S. Dollar	—	74.25	74.55
Yemeni Ryal (100)	—	—	—

Gold kg. 46,850.00 46,650.00
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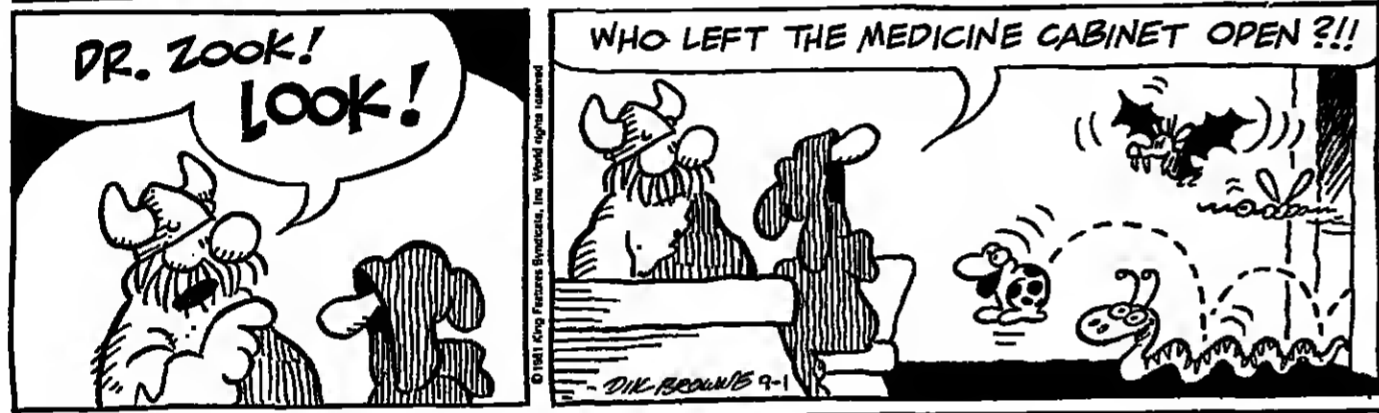
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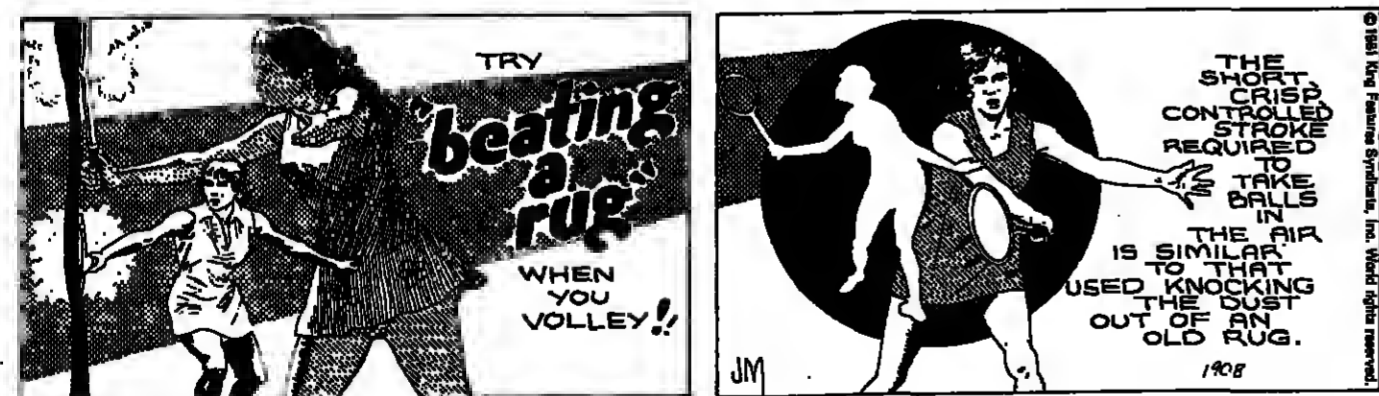
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arab news Calendar

Table with columns for Saudi Arabia, Bahrain, Qatar, Radio Arabic, and Radio Francaise, listing various news and program schedules.

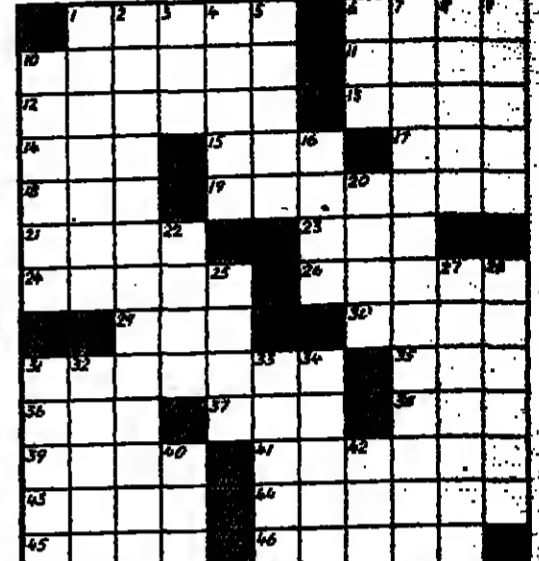
Table with columns for Saudi Arabia, Radio Francaise, BBC, and VOA, listing various news and program schedules.

Table with columns for Radio Pakistan, listing various news and program schedules.

Crossword

by THOMAS JOSEPH

- ACROSS 1 Neckwear, 4 Thessalian mountain, 10 Soft and smooth, 11 Hold, 12 More spacious, 13 - Harbor, Guam, 14 Put money on it, 15 Tar, 17 "High --", 18 See 21, 19 Food, 21 With, 23 Outside part, 24 Fur, 26 Exclude, 29 Break bread, 30 Russian river, 31 Heat source, 35 Legislator (abbr.), 36 Shade tree, 37 Actor.
DOWN 1 Yerevan is its capital, 2 Chabas painting, 3 Presidential nickname, 4 Letter after psi, 5 Alpine region, 6 Edible tuber, 7 Walter Huston recording.



Yesterday's Answer: 1 Fig crate, 2 Unassembled, 3 Famous, 4 Boston family, 5 Warbler, 6 Aspect, 7 Livelihood, 8 Arctic base, 9 Ordinary, 10 Spoilation, 11 Wine and dice, 12 Forearm bones, 13 Conspiracy members, 14 French pupil, 15 Supplement, 16 What the dr. ordered (abbr.).
CRYPTOQUOTES: CUGPO WN MWIL NWLVNBCUVLZ, CUGPO WN MWIL JWZCVLGCMI, YWUP SIGPHM BFBXZ.
Yesterday's Cryptoquote: ...WITTY SAYINGS ARE AS EASILY LOST AS THE PEARLS SLIPPING FROM A BROKEN STRING.-G.D.PRENTISS

Contract Bridge B. Jay Becker

Rationale of Dummy Play. North dealer. Both sides vulnerable. NORTH: ♠A 8 7, ♥A J 8 6 3, ♦K 5 4, ♣K. EAST: ♠Q 9 5 3 2, ♥Q 5 2, ♦Q 10 7, ♣7 3.

The bidding: North East South West 10 Pass 2NT Pass 3♦ Pass 3NT. Opening lead - six of hearts. Declarer does not base his plays solely on mathematical probabilities. He also relies on other factors, one of which is that the defenders will often involuntarily help him out in difficult situations.

Believe It or Not!



Your Individual Horoscope

Francis Drake. FOR TUESDAY, SEPTEMBER 1, 1981. What kind of day will tomorrow be? To find out what the stars say, read the forecast given for your birth sign. ARIES (Mar. 21 to Apr. 19) Both marrieds and singles will enjoy happiness in love. Financial prospects improve. You may buy a gift for a loved one. TAURUS (Apr. 20 to May 20) Add a personal touch to work projects. Business and pleasure

You radiate self-confidence. Your sociability brings you admiration. Make important phone calls. The accent is on good will. VIRGO (Aug. 23 to Sept. 22) You'll make major decisions now about possible purchases. You may find a good buy on a luxury item. Monetary prospects improve. LIBRA (Sept. 23 to Oct. 22) Your personal wishes meet with success. Optimism attracts benefits and good will from others. You receive well-earned recognition. SCORPIO (Oct. 23 to Nov. 21) You'll want to spend time alone with a loved one. Keep financial moves under wraps. Behind-the-scenes assistance comes your way. SAGITTARIUS (Nov. 22 to Dec. 21) Accept invitations. You'll meet important people now. Popularity and good times are in store for you. Greet the world with a smile. CAPRICORN (Dec. 22 to Jan. 19) Career benefits come now. The good will of superiors smooths your way. When you receive rewards or honors, be sure to be gracious. AQUARIUS (Jan. 20 to Feb. 18) It's the perfect time to plan a trip. A legal decision goes your way. You'll enjoy success in connection with distant interests. PISCES (Feb. 19 to Mar. 20) Unexpected financial benefits could accrue now. Meet with bank officials. Close ties may have good news about income and job matters.

Table listing various pharmacies and their addresses: Riyadh Pharmacy, Al-Balqa Pharmacy, Dakhla Pharmacy, Madinat Pharmacy, Al-Madina Pharmacy, Zahra Pharmacy, Rawabi Pharmacy, Noor Pharmacy, Yarmouk Pharmacy, DAMMAM Pharmacy, ALKHABAR Pharmacy, ALKHABAR AND THAQBA Pharmacy, Qadri Pharmacy, JUBAIL Pharmacy.

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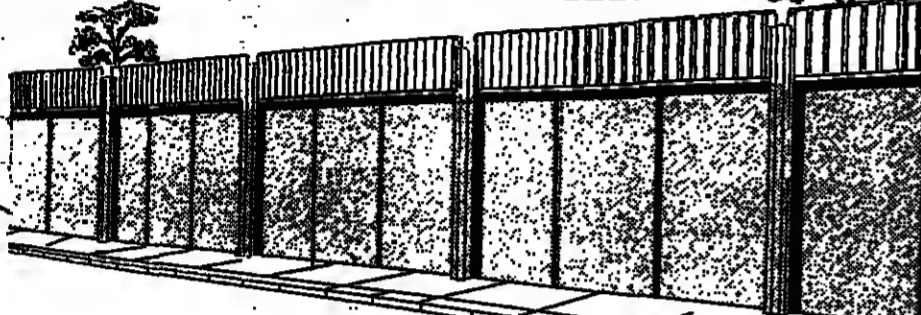
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MALDIVE TRADER	08-9-81	GEN.	Cochin/Karachi.

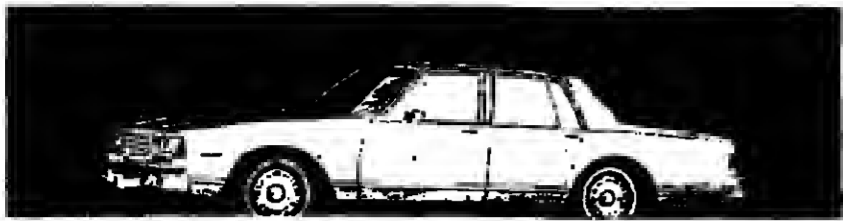
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'Chemical weapons used'

S. Africans expand Angola operations

LUANDA, Aug. 31 (Agencies) — South African forces in southern Angola are expanding their operations from the province of Cunene to the neighboring province of Cuando-Cubango to the east, the Angolan news agency Angop reported Monday.

The agency also said that the South Africans, who had reportedly occupied a number of places in Cunene, had also cut road links in the province of Huila to the west. (But observers said the reference was apparently to the destruction of a bridge over the Cunene River near Xangongo which had been announced last weekend.)

Angop said that these "new facts" gave the lie to South African reports of a "progressive withdrawal" following the completion of the "special mission" to destroy Southwest Africa People's Organization (SWAPO) bases on which Pretoria said its forces were engaged.

A special correspondent of the *Jornal De Angola*, the official newspaper of Angola's ruling party, alleged that the South Africans had used unspecified "chemical weapons" against civilians and Angolan troops.

The report also said that an infantry brigade supported by 32 French-built Mirage F-1 fighter-bombers and nine British-built Buccaneers had been used in the capture of Xangongo, an important SWAPO base in Cunene. The fighter-bombers were based at Runtu and Ruacana in Namibia, the report said.

Angop said 81 buildings, including schools and medical posts, had been destroyed in the first bombing raid on Cahama on Aug. 23, the day before two South African motorized columns crossed the Namibian border to attack Xangongo. The agency said 3,000 persons had been rendered homeless in the attack and many of the injured had been taken to hospital in Lubango. It did not give casualty figures.

Fragmentation bombs of 500 kgs and 1,000 kgs were used in the air strikes and there was an atmosphere of total destruction about Cahama, Angop added. The first air raid lasted from early morning until dawn the next day with 25 Buccaneer, Mirage and Impala jets taking part in the attack, it said. Cahama was bombed again last Wednesday, it added.

Haig to dispel Namibia doubts

WASHINGTON, Aug. 31 (AP) — The administration of U.S. President Ronald Reagan will attempt to dispel growing doubts of some black African leaders over U.S. policy toward South Africa as the United Nations plans a special meeting on the subject this coming weekend.

U.S. Secretary of State Alexander Haig was to meet Monday with the foreign ministers of Kenya, Zimbabwe and Rwanda and top diplomats of several other African countries. The meeting was intended to lay the groundwork for a special meeting next weekend on Namibia, a sparsely populated, oil-rich territory which has been administered by South Africa since World War I.

The U.N. Security Council resumed debate Monday on a Third World nations' call for economic sanctions against South Africa. A prime American concern is the continuing presence of some 20,000 Cuban troops in Angola, which has been used by SWAPO as a staging area for guerrilla raids into Namibia. In a speech Saturday, Chester Crocker, assistant secretary of state for African affairs, said a southwest African settlement is "desirable and obtainable at an early date."

But Crocker also indicated sympathy for South Africa's contention that the territory's main guerrilla group, SWAPO, is Communist-dominated.

And in a statement clearly aimed at black African critics of U.S. policies, Crocker added: "The Reagan administration has no intention of destabilizing South Africa in order to curry favor elsewhere. Neither will we align ourselves with apartheid policies that are abhorrent to our own multi-racial democracy."

Several ambassadors based in the Angolan capital, Luanda, visited Cahama Sunday. British Ambassador Frank Kennedy told reporters on his return to Kuanda that the town had been completely destroyed. The diplomats saw and heard no sign of continued fighting but they said Angolan officers told them the South Africans were making no effort to withdraw from captured positions.

Senior South African officers told correspondents who visited the battleground at the weekend that vast quantities of Soviet equipment had been seized. These included several Soviet T-34 tanks, armored vehicles, several hundred Soviet-built heavy duty trucks, and many new anti-aircraft guns which would be brought back to South Africa.

Meanwhile, a South African military spokesman said Monday in Pretoria that South African forces are continuing their withdrawal from Angola and are not engaged in fighting with Angolan troops. He said the South Africans had completed their operation against SWAPO guerrilla bases and installations in southern Angola. The guerrillas are fighting a bush war against South Africa.

The spokesman denied Angolan reports that South African troops were occupying a number of towns in southern Angola. He said the Luanda government was trying to create an impression that a large-scale invasion force had entered Angola, to influence world opinion before the special United Nations session on SWA/Namibia begins Thursday.

Asked if South African forces had destroyed the town of Cahama, about 120 kms north of the SWA/Namibia border, he said: "We have gone out of our way not to attack civilian targets."

In Johannesburg, former British Prime Minister Edward Heath said Monday that the Western world will not support South Africa at any time, while it maintains its apartheid (racial separation) policies.

Blast hits U.S. Embassy in Lima

LIMA, Peru, Aug. 31 (AP) — Explosions caused some damage but no injuries at the U.S. Embassy building and the residence of Ambassador Edwin Corr early Monday morning, an embassy spokesman said.

Police said that explosions were reported about the same time at the Coca-Cola plant and a milk products plant. The embassy spokesman said the explosions went off simultaneously at 1:10 a.m. (0510 GMT) at the embassy and the residence, which are, in the same area separated by nine blocks.

Embassy security men were investigating the explosions but the spokesman said they had not determined what kind of explosives were used. No person or group claimed responsibility, he said.

The blast at the embassy damaged the front door, knocked out windows and two gratings which screen the windows. The embassy has an iron gate fence, but the explosives apparently were thrown over the fence at the main entrance.

The explosive at the residence apparently was thrown from a street facing the backyard, damaging sun umbrellas and the rim of a swimming pool, the spokesman said. Police

did not report immediately the extent of damage at the two industrial plants.

The newspaper *La Prensa* reported that two explosions went off Sunday in the central plaza of Chiclayo, a city about 460 miles north of Lima, during an anniversary parade celebrating the founding of the Civil Guard, the country's principal police force.

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Answers to Saturn's riddles promised

Healthy Voyager 2 heading for two new worlds

PASADENA, California, Aug. 31 (AP) — *Voyager 2*, recovering from last week's encounter that promises a new understanding of Saturn's dazzling rings, is soaring toward two worlds almost hidden in the far reaches of the solar system.

"We're beaming and we're on our way to Uranus" and Neptune, project manager Esker Davis said at a news conference at the Jet Propulsion Laboratory.

Voyager 2's dramatic encounter with Saturn gave scientists new puzzles to ponder, but space officials said Sunday the mission also promised the beginnings of answers to some of the golden planet's biggest riddles.

"We are beginning to see the simplicity again," said Ed Stone, *Voyager*'s chief scientist. "The next few months are really going to be spectacular in terms of coming to grips with the rings." *Voyager 2* was 3 million miles (4.8 million kms) beyond Saturn Sunday and sailing still deeper into the solar system.

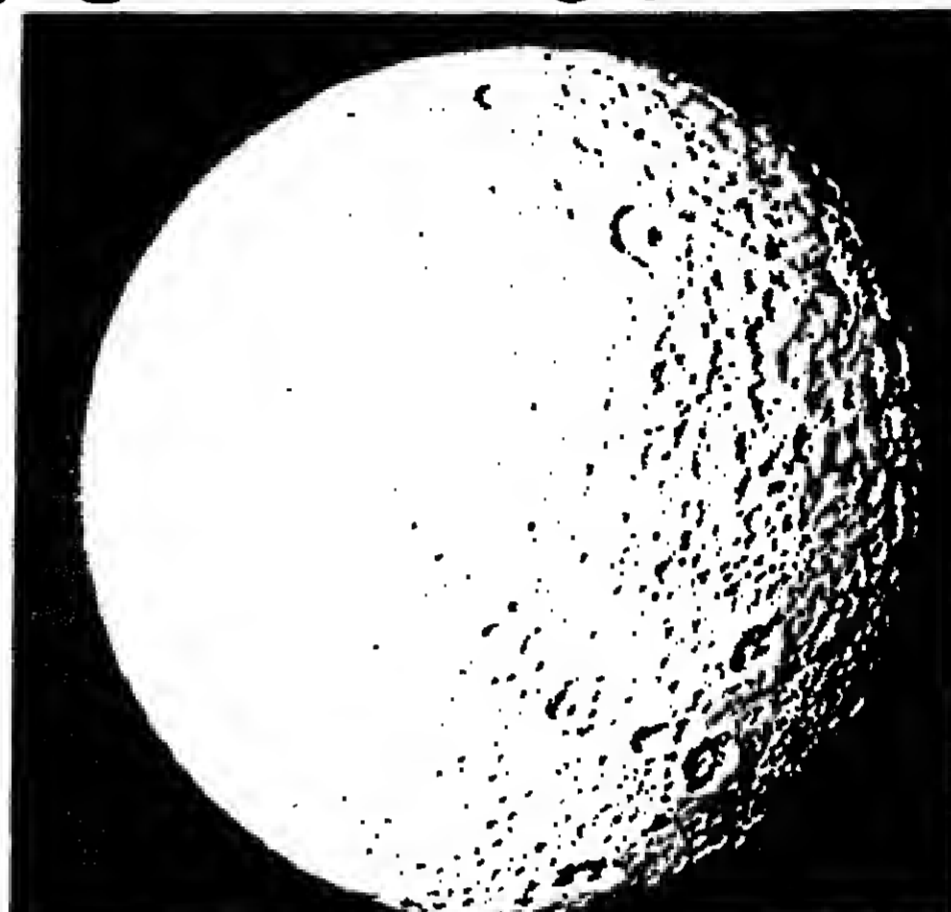
The ship has reported healthy again as it continued taking sharp pictures from the far side of Saturn. The still-unexplained mishap that knocked its camera platform out of commission for three days apparently was resolved.

"All went well the last 24 hours," Davis said. He said a new sequence of instructions was being readied "in record time" to coax more data from the ship's 11 instruments and to ensure a good look Friday at one more Saturnian moon, Phoebe.

The spaceship, which left earth on Aug. 20, 1977, must go another 1.7 billion miles (2.7 billion kms) to Uranus, which has at least nine slim rings and five moons. After that encounter, in January 1986, the robot craft flies on to visit remote and mysterious Neptune and its big moon, Triton, in 1989.

"There will unquestionably be ... some very interesting things to see in the outer solar system," photography team leader Bradford Smith said.

The startling complexity of Saturn's fabled, shimmering nest of rings — one of the solar system's most spectacular sights —



VOYAGER PICTURE: This *Voyager 2* photograph of Tethys shows objects about five kilometers in size and is one of the best images of the Saturnian satellite returned by the spacecraft or its predecessor *Voyager 1*. The *Voyager 2* obtained this picture from a range of 282,000 kms. It has been specially processed by computer to bring out fine details. A boundary between heavily cratered regions (top right) and lightly cratered areas (bottom right) is very similar to boundaries on the moon, indicating a period of internal activity early in Tethys' history that partially resurfaced the older terrain.

was revealed last November when *Voyager 1* toured the planet. Scientists were astounded by visions of hundreds of ringlets spread like circles within circles inside the broad rings.

Voyager 2 took a closer look and found

A traditional theory, which explains the broad structure of the three major rings through gravitational interactions between Saturn and some of its 17 moons, now seems at least partly confirmed.

A composite of two pictures taken from opposite sides of the planet showed unmistakably that the outer edge of the broad, bright B-ring is not perfectly circular. Smith said scientists believe gravity involving the moon rings is affecting the ring structure.

Another experiment found strong evidence for something new: that a generally traditional set of distinct rings — sheets of particles including dust, snowballs and ice boulders that rotate about the planet — is rippled with changing waves that spiral around and around the planet like a coil of rope.

Larry Esposito, part of the team that conducted the experiment, said the "spiral density waves" could be caused by the gravitational disturbance of a passing meteorite, a moon or even clumps within the rings.

"But we don't want to give the impression that everything we see is caused by these wave trains," Esposito said. "We also see some classical features which look like ringlets and gaps."

That picture of the rings is almost exactly like phonograph records: a continuous ridge spiraling around the thin sheet for each song, which is in turn separated by a gap from the next song.

In another ring puzzle, scientist Joseph Romig said *Voyager* recorded thousands of intense electrostatic bursts, much like static heard on a car radio from nearby lightning bolts — but far more powerful.

The source, he said, seems to be a dense region of the B-ring, which is also the site of another ring riddle — dark smudges or spokes across the ring. Scientists suspect the spokes may be clouds of microscopic dust somehow lifted above the rings.

"The only thing we can be certain of at this point," Romig said, is that if there is an association between the static pulses and the spokes. "We don't understand it."

Bread price quadruples in Poland

WARSAW, Aug. 31 (Agencies) — Poland quadrupled the basic price of bread Monday and sharply increased the cost of flour and cereals. With poignant timing, the increase came on the first anniversary of agreements which resulted from strikes over food prices and created Communist Eastern Europe's first independent trade union, Solidarity.

The government says the latest increase is necessary if the economy is to be revived and state food subsidies are to be eliminated. Many food items have been sold below cost for years but previous attempts to raise prices aroused public protests.

The year-old independent union movement is now about to hold its first national congress, starting Saturday, and is locked in difficult bargaining with the Communist authorities over how the official news media will cover the event.

During Saturday's eight-hour-long round of talks, the government refused to discuss the general access to radio and television which Solidarity has been demanding for months, the Solidarity spokesman Janus Onyszkiewicz said.

The union's *Warsaw News Bulletin* Monday rejected government arguments that a breakup of the state information monopoly would be tantamount to an attack on Poland's system of government and Soviet bloc alliances. "The mass media should be in the hands of the working people and their organizations," the *Bulletin* quoted the Polish constitution as saying.

The general strike begun a fortnight ago by printers in Olsztyn in northern Poland continued Monday following the failure of a mediation attempt by local members of parliament, the PAP news agency said.

The two parties could not agree on a choice of venue for talks. The government agent chose the editorial office of the weekly *Nasza Wisla*, and the printers wanted negotiations held in their rest room. PAP said the two rooms were in the same building.

In the six-month campaign 20th man joins Maze fast

BELFAST, Northern Ireland Aug. 31 (AP) — A 20th Irish Republican guerrilla went on hunger strike Monday at the Maze Prison near Belfast in the six-month campaign to win reforms amounting to political-prisoner status.

Hugh Carville, 25, joined six other men on the fast in which 10 hunger strikers have died and three have given up. A spokesman for Britain's Northern Ireland Office said Carville refused breakfast Monday morning.

A member of the outlawed Irish Republican Army's "provisional" wing, Carville was arrested in April 1977 and sentenced a year later to 14 years in jail on convictions for illegal possession of arms and for firebomb attacks on three bars and hotels.

Carville, a bachelor, is the youngest of 11 children raised on a 35-acre farm at Greencastle, County Down, near the fishing port of Killybeg, 64 kms south of Belfast. At one time he was a well known Gaelic football player in the province.

A spokesman for provisional Sinn Fein, the IRA's political wing, said Carville did not replace any specific previous hunger striker. The prisoners are staggering the start of their fasts to keep up the pressure of near-weekly deaths.

The last hunger striker to die was Michael Devine, a member of the Irish National Liberation Army, an IRA offshoot. He died at the Maze Aug. 22, on his 60th day without food, continuing the gruesome series of deaths that began with Bobby Sands who succumbed May 5 after 66 days without eating.

The condition of fasting Lawrence McKee, is deteriorating on his 64th day without food, a British government spokesman said. The British government says it is prepared to make some concessions once the hunger strike is over. But it has rejected the guerrillas' demands for freedom of association, segregation from Protestant prisoners loyal to Britain and the right to refuse prison work.



CARTER IN PEKING: Former U.S. President Jimmy Carter and his wife being entertained to a luncheon in Peking Sunday after their visit to the Fenghuo Production Brigade.

U.K. youths fight police

BRIGHTON, England, Aug. 31 (AP) — Some 300 young "Mods" attacked cars, set a railway station afire and clashed with police in this coastal resort Sunday night, authorities reported. Scores of arrests and several minor injuries were reported.

A police spokesman said the trouble began when gangs of Mods — youngsters distinguished by their avant-garde dress and hair style — began pelting passing cars with stones from Brighton's Pebble Beach. Police reinforcement were called in and blocked off several streets at the eastern end of the beach. The spokesman said hundreds of officers eventually were deployed.

Balsemao to keep some ex-aides

LISBON, Aug. 31 (AFP) — About half the ministers in Portugal's last government will keep their jobs in Prime Minister-designate Francisco Pinto Balsemao's new cabinet, which he is likely to present to President Antonio Ramalho Eanes later Monday or Tuesday, an informed source said.

The balance of the three coalition parties — Social Democrats, Democratic and Social Center, and Monarchists — would be unchanged in the new government, the 14th in Portugal since the 1974 revolution, the source said. Balsemao took over as premier on January, but resigned on Aug. 10 after narrowly winning a vote of confidence.

Virtual certainties in the new government include the return of Diogo Freitas do Amaral, president of the CDS, as deputy

prime minister. He will also hold the defense portfolio. The Monarchists' leader, Goncalo Robeiro Teles, is expected to enter government as minister of state for the quality of life.

Joad Salgueiro (Social Democrat), director of the National Development Bank and former plan secretary, is likely to take charge of finance and planning, with a Social Democrat, Angelo Correia, as interior minister.

Lucas Pires (CDS) becomes minister of culture, and an independent, Andre Goncalves Pereira, will remain foreign minister. The ministers of labor and commerce will change titles and the Ministry of European Integration will be elevated to a secretariat of state. The new government will be put to parliament in a few days' time.

From page one

Rajai, Bahonar

lah Khomeini to be tried by a people's court and for the establishment of a democratic republic in Iran.

Massoud Rajavi said there were three times as many political prisoners in Iran under the Khomeini regime than there had been under the Shah, and that more than 800 persons have been executed since June 20 — nearly 600 of them Mujahadeen members.

Meanwhile, Iran's Constitutional Council authorized Speaker Rafsanjani and Supreme Court President Ardebili to take decisions pending presidential elections.

World leaders gradually started reacting to the bombing, expressing their "profound emotion" on learning of the deaths.

Rajai's profile

He became education minister in the interim government of Premier Bazargan and purged non-Islamic teachers. In 1980, he was elected member of parliament for Tehran with the support of Ayatollah Muhammad Beheshti's Islamic Republican Party (IRP). In June 1980, he was appointed to the commission for cultural revolution to purge the universities.

In September 1980, following three weeks of wrangling between president Abolhasan Bani-Sadr and the IRP, he was appointed prime minister by parliament.

Israel

countries and virtually all Islamic ones. It had also complicated U.S. efforts to position military supplies and guaranteed access to bases around the Gulf, the magazine said.

Time suggested President Reagan might show U.S. displeasure by telling Begin that since West Bank settlements were in effect financed by U.S. aid, Washington would hold in escrow against genuine progress in the Palestinian autonomy talks a proportion of the \$800 million now budgeted as aid to Israel. Reagan could further penalize Israel by adding to the escrow account if the Israelis sanctioned new settlements or expanded existing ones, Time said.

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